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ADMINISTRATION OF MUNICIPAL SALES TAXES IN CALIFORNIA

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BUREAU OF GOVERNMENTAL RESEARCH
University of California, Los Angeles

December, 1949

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FOREWORD

Municipalities throughout the United States have been compelled for a long time to rely most heavily upon the general property tax for local revenue; and hence, administrative practices relative to the assessment and collection of that tax have been widely studied. In the past twenty years, however, the municipalities have searched for other sources of revenue to supplement the property tax. When New York City and a few other cities undertook to levy and collect a municipal sales tax, they had no information about procedure, rates, exemptions, enforcement, etc. Those early cities encountered much opposition and evasion of the new tax was reported to be a common occurrence.

California cities have built upon the state's experience with a retail sales tax, and in an extraordinarily short time a large number of municipalities in this state have adopted this tax. Methods of administering the tax vary, but careful attention to practical problems is illustrated in many situations. There has been a marked inclination among the cities to compare experiences and to seek to improve their administration. The purpose of the Bureau of Governmental Research in undertaking the present study was to analyse the practices of the California cities in administering this new tax and to make available information derived from the experience of municipal officials.

Winston W. Crouch

11/1/65

PREFACE

Major sources of information for this study are (1) a questionnaire survey of 123 cities in the state that have adopted sales tax ordinances; (2) digests of these ordinances published by Commerce Clearing House in its state and local tax service manual; and (3) a field survey of Los Angeles and several other cities in Southern California. Information regarding administration of the state general retail sales tax was secured in part from the Los Angeles District Office of the Board of Equalization.

The study is concerned with the administrative problems arising from the operation of a municipal sales tax and the techniques employed by California cities in their solution. The broad political, fiscal and economic aspects of the municipal sales tax do not come within the scope of this study and no attempt is made to discuss them.

Several persons graciously assisted in giving advice and information for the preparation of this study. The author wishes to thank especially Mr. Walter C. Thiel, Chief Deputy City Clerk of Los Angeles, and members of the License and Sales Tax Division of that office; Mr. Justus Brown, City Treasurer of Burbank; Mr. Allen R. Floyd, City Treasurer of Lynwood; Mr. Fred D. Smith, City Treasurer of Riverside; and Mrs. Maxine Flaherty, Sales Tax Clerk of Inglewood. Mr. Thiel, and Mr. M. Tellefson, Chief Administrative Officer and City Attorney of Culver City, kindly read and criticized the manuscript.

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James D. Kitchen

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ADMINISTRATION OF MUNICIPAL SALES TAXES IN CALIFORNIA

During the past two decades, local governments in all parts of the United States have faced the problem of increasing expenditures to meet citizen demands for new services. Revenue from property taxes, the traditional source, has proved inadequate. There are property tax rate limitations in many instances, and even where these do not exist, property owners are unable to bear the entire burden of local government. Municipal officials have been forced to consider new ways of raising funds to carry on the day-to-day services of the modern community. They have turned to such devices as admissions taxes, sewer connection fees, business and professional licenses, and parking meters. One of the important new sources, particularly during the past five years, has been the general retail sales tax. In increasing numbers, cities as well as states have found this tax to be one which produces a high revenue at a low cost of administration.

Certain basic problems are common to all cities in the administration of their sales taxes. Important among these are questions of exemptions, out-of-city sales, and methods of preventing evasion by retailers. More cities in California than in any other state have had experience with these problems. Solutions range from the complex methods and large staffs required by cities such as Los Angeles and Oakland to the simple procedures followed in the typical small city. The experience of these California cities should be of interest to municipal officials and to students of local government.

DEVELOPMENT OF STATE AND LOCAL TAXES

State Experience

Before considering the details of sales tax administration on the municipal level, some attention should be given to its earlier operation as a state tax. Much of the opposition to the general sales tax was based on economists' statements that it was regressive and that it would be repressive in its effect on business. Thus, the successful administration of the tax on the state level did a great deal to prepare the way for its later adoption by city governments.

Some form of state sales tax has been in effect in the United States since the adoption of the Pennsylvania merchant license tax in 1821. However, this early example, as well as those of Virginia, Delaware, and Connecticut, differs generically from the modern sales tax in that it was regarded as a business tax rather than a consumers' tax. Moreover, in all instances the rates were relatively low as compared to those of contemporary sales taxes.

West Virginia adopted the first comprehensive sales tax in the United States in 1921 in an attempt to provide some relief to property owners and to derive more revenue from the extraction of natural resources (West Virginia Acts, Regular Session, 1921, chap. 110). In 1925, this

tax was replaced by a business and occupation tax with a broader base and higher rates. Georgia administered a gross receipts tax, laid on the privilege of engaging in business, from 1929 until the end of 1931. Mississippi adopted the first retail sales tax at a substantial rate (two per cent) in April, 1932, and Pennsylvania adopted a one per cent tax in September of the same year. Eleven new states, Arizona, Illinois, Indiana, New York, Utah, Michigan, North Carolina, South Dakota, Oklahoma, California and Washington were added to the list in 1933.

Causes of the widespread adoption of state sales taxes since 1932 may be largely traced to the severity and duration of the business depression, which sharply reduced the ability of property owners to meet tax levies while, at the same time, unemployment relief created tremendous new financial demands.

A discussion of the financial crisis in California and the events which led to the adoption of a general retail sales tax in this state may illustrate the situation. In 1933, the legislature was faced with the problem of overcoming a deficit of \$10,000,000 in its current budget. For several years there had been agitation for a general revision of the state tax system. In 1928, a number of state-wide organizations representing property owners formed a joint committee to study taxation problems, and a report was issued two years later. This report proposed the reduction of ad valorem property taxes to 50 per cent of annual state and local expenditures. It also supported the proposal made by the California County Supervisors Association that the state assume certain county school levies and adopt a sales tax to secure the necessary added revenues. A similar plan of relief for property owners was drawn up by the California Farm Bureau Federation. However, this group proposed a personal income tax, rather than a sales tax, as the new source of revenue.

Proposition No. 9, supported by real estate interests, farmers, teachers, and county officials, was submitted to the electorate in November, 1932. It called for transfer of the school taxes to the state and the adoption of both a personal income tax and a selective sales tax. Because of general opposition to the sales tax, the measure was defeated.

Governor Rolph, in his budget of 1933, sought to avoid new tax measures by affecting administrative economies and by diverting funds from the gasoline tax. The legislature rejected his program. R. L. Riley, state controller, and F. E. Stewart, member of the board of equalization, sponsored a plan calling for a mandatory gross receipts tax. This came to be known as a "transfer tax," since it would have imposed a three per cent tax on the transfer of all tangible property. Opposition of farmers, merchants, labor unions and large cities forced modification of the plan in the assembly after it had been approved by the senate. A compromise was reached after lengthy debate, and the "Riley-Stewart" amendment was presented to the voters at a special election in June, 1933. It provided for the return of property of public utilities to county tax rolls, state assumption of county school expenses, restriction of the ad valorem tax on property to not more than 25 per cent of the

total expenses of state government, and restriction on the annual increase in the cost of state and local governments.

By its adoption at the special election, the state assumed an increased financial responsibility of some \$40,000,000 annually without any increase in revenue. Some new and productive source of income had to be found and the sales tax was the obvious choice. Even before the legislature reconvened in July, hearings on such a proposed tax were held in various parts of the state, and a retail sales tax act, modeled chiefly on that of New York, was drawn up. It was introduced in the legislature on July 18 and, despite opposition from labor interests, was passed by both houses within a week. Governor Rolph signed the bill on July 31 and it became effective immediately. Legislative approval was also given a personal income tax but this measure was vetoed by the governor.

In place of a three per cent tax on all transfers of property, the new sales tax law placed a two and one-half per cent levy on gross receipts of retailers from the sale of tangible property within the state. (Revenue and Taxation Code, section 6051). This rate was to increase automatically to three per cent on July 1, 1935. In its own words, the act was termed "an excise tax on the retailer for the privilege of doing business." Article 2, section 6066 of the act required that "every person desiring to engage in or conduct business as a seller within this state shall file with the board [of equalization] an application for a permit for each place of business." This permit, issued upon payment of a \$1.00 fee, remains valid until suspended or revoked for failure to comply with provisions of the sales tax law. Engaging in business as a seller without the permit, or after its suspension or revocation, is punishable as a misdemeanor.

Responsibility for administering the sales tax was given to the state board of equalization, a constitutional body composed of four elected members and the state controller. A sales tax division, headed by a sales tax administrator, was set up at Sacramento. Because of the large number of taxpayers with whom direct dealings must be made in the adequate administration of a sales tax, the board also established 13 districts throughout the state. These districts, made up of complete counties, vary in size according to the concentration of population and business. Each district is supervised by an administrator who is responsible for seeing that the provisions of the law are enforced.

Applications for retailers' permits are received at these offices and permit numbers are assigned. To provide for ready identification of the location of permittees, each district was given a letter prefix. In the first district, Los Angeles County, further subdivision was made and specific areas of the county were given additional distinguishing prefixes. Those retailers who have places of business in more than one district are issued master permits with an "X" prefix and a second letter indicating location of the principal office.

At the central office in Sacramento, addressograph and correspondence files for all permittees are arranged according to district prefixes. All notices and blank returns are mailed from this central office, pre-sorted for bulk mailing, to the various cities. Although some payments are received at the district offices, most of the returns are sent directly to this central office where ledger records of all accounts are maintained. As returns are posted, ledger cards are moved from the delinquent to the paid file, leaving the cards representing delinquent accounts in a separate group. Delinquency lists are prepared and sent to the district offices and delinquency notices are mailed to the individual taxpayers concerned.

A continuing audit procedure is carried on by auditors attached to each district office and falls into four general types. All accounts, regardless of size, are audited upon termination of business, both for accuracy of computations and for correctness of exemptions claimed by the seller. Accounts of sellers under a surety bond are also audited upon expiration of such bond in order to clear the bonding company of further responsibility. In addition, certain large businesses such as sale of automobiles and airplanes, machinery and building construction, are usually checked because of frequent misunderstandings of legal provisions regarding exemptions. In the event that auditors have time after completing these tasks, they work on those accounts which have had no prior audit. Because of the statute of limitations, an attempt is made to audit all accounts once every three years. However, lack of sufficient personnel prevents this goal from being attained.

Municipal Experience

As more and more states found the sales tax a highly productive source of revenue, municipalities began to consider it. Opponents argued that the geographic limits of a city would make evasion of a sales tax a simple matter and that such evasion would so reduce revenue from the tax as to make it relatively unimportant. It was also feared that its use on the municipal level where states were already collecting a sales tax might well lead to unfavorable reaction by citizens and the consequent repeal of the state tax.

New York City, when faced with an acute relief problem in 1934, obtained permission from the state to levy personal property, sales and use taxes. New York adopted Local Law No. 20, (1934) despite arguments that it would produce little revenue because of the ease of consumer evasion through purchases in New Jersey. The state law which permitted the city to enact a sales tax contained a provision prohibiting collection of the tax "on any transaction originating and/or consummated outside of the territorial limits" of the city, even though some act be performed with respect to the transaction within the city's boundaries. Opponents of the sales tax contended that New York City's large volume of inter-state business would be exempt from the tax because of this statutory provision and because of the commerce clause of the federal constitution.

Local Law No. 20, effective December 5, 1934, set the rate of taxation at two per cent and authorized the city comptroller to prescribe regulations for methods of collection and schedule of amounts to be collected so as to eliminate fractions of one cent. The rate remained at two per cent until 1941 when it was lowered to one per cent. With rising postwar costs, the rate was returned to two per cent in 1946.

Some difficulties were encountered in inter-state transactions. Although the New York State Court of Appeals held that the tax did not apply in several instances involving inter-state transactions, the number of such decisions has been small. Predictions of large scale evasion were not borne out and the revenue yield has been consistently high. In the first year of collections (1935), revenue amounted to \$28,000,000 and steadily rose until, in 1948, it reached \$129,000,000.

In 1936, New Orleans adopted a similar two per cent sales tax which the Louisiana legislature, for political reasons, reduced to one per cent in 1948. Philadelphia did likewise in 1938 but the law remained in effect only one year. By 1944, half of the states and several large cities had had experience in sales tax administration. In most instances, the tax was highly productive and many of the earlier fears that such a levy would drive business across state lines or beyond city limits had been dispelled, at least for large metropolitan areas.

Early Municipal Experience in California

During the war years, the population of California's cities and towns was greatly enlarged by the influx of defense workers and families of servicemen. Not only have many of these persons remained, but also they have been augmented by the post-war tides of immigration which have poured into California. They have brought to the state great added resources -- commercial, artistic, industrial and personal. They have also added great problems to the individual cities and towns. The problems arise from the fact that the new population produced a necessity for expanded services of almost every variety. More schools, more streets, more playgrounds, more libraries, more garbage and sewage disposal facilities, more water, more electricity, more police and fire protection -- all these became imperative needs.

The property tax, inadequate before the war, was incapable of meeting new revenue demands. Population had increased and wage and price levels moved upward without a corresponding increase in the property tax base. According to the report of the assembly interim committee on state and local taxation (1947), the net increase in assessed value of property in the state from 1929 to 1946 was only 11 per cent. Moreover, in some localities the assessed value of property had actually decreased during this period. Statutory or charter provisions setting tax rate limits, and tax exemptions to the federal and state governments and to veterans, combined with a hesitancy on the part of assessors to raise valuations, render the property tax incapable of meeting new demands. Cities were forced to seek some source which could provide large additional revenues.

When San Bernardino was seeking a solution to the problem of how to create a postwar improvement fund, the idea of a sales tax had become somewhat familiar. Such large cities as New York, Philadelphia, New Orleans and Montreal had administered a sales tax for a period of years. Purchasers and retailers had become accustomed to the operation of the California state sales tax during the preceding decade. Moreover, the state tax was reduced from three per cent to two and one-half per cent in June, 1943, which meant that part of the local tax would merely be a re-instatement of the earlier state rate. Retailers were already educated in the requirements of the state act and had set up accounting procedures which conformed to local ordinances without major changes.

In this first adoption by a California municipality, the one per cent sales levy was put forward by a merchant group as part of a broad tax program which included a three cent amusement admission tax, and a 100 per cent increase on all business licenses, effective January 1, 1945. The sales tax and the business license increases were limited to the year 1945 in order to obtain support of retail merchants.

Opponents of the tax argued along traditional lines. A municipal sales tax would be easy to evade by purchasing commodities in neighboring communities and would discourage outsiders from coming to the city's shopping center. In order to prevent merchants from making fraudulent returns or claiming improper exemptions, it would be necessary to maintain an auditing staff. This in turn would mean high administering costs.

Quarterly returns were made to the city clerk, while payments were received by the police chief in his ex-officio capacity as tax collector. These returns and payments were based on the amount of sales reported to the state for sales made within San Bernardino, and a sworn affidavit of the validity of such returns was required. In this way, auditing expense was avoided, as city officials felt that the audit procedure employed by the state was sufficient. As described on page four, the state's procedure involves checking all "close-outs," bonded permittees, and certain types of businesses in which there are frequent misunderstandings regarding exemptions.

The reverse side of the existing license record cards for all merchants was utilized for recording sales tax payments, and the only additional costs were for employment of one clerk and the cost of printing and postage. Field surveys were made without extra expense by existing license inspectors in conjunction with their regular work.

Revenue from the levy was estimated at \$432,000 and actual collections for the calendar year 1945 were \$490,000, an amount approximately equal to the revenue obtained through the general property tax for the same period. The only administrative difficulty encountered was in connection with exemptions of sales where title passed outside the city. San Bernardino is a regional trading center for a citrus fruit growing district consisting of a large rural area, and also for nearby smaller cities. There was considerable apprehension that the tax might divert part of this business.

Colton and Redlands adopted sales taxes during 1945, however, thus allaying much of the criticism from out-of-city purchasers. In both instances, the pattern established by San Bernardino was followed rather closely. The rate of taxation was set at one per cent, a permit system was not used, and the tax was adopted for a limited period.

Another California city, Santa Barbara, also turned to the sales tax as a way out of financial difficulty. In May, 1943, city voters adopted a charter amendment which separated water department revenue from general municipal revenue. As a result, there was an operating deficit in general government of approximately \$150,000 per year. In common with many other California cities, Santa Barbara is limited to a \$1.00 per hundred property tax rate, so that some other major revenue source had to be developed.

A tax committee, composed of representatives of business and taxpayer groups was formed to study means of raising revenue and to make recommendations as to what method would best meet Santa Barbara's need. This committee conducted extensive research and held public hearings over a period of many months before offering the unanimous recommendation that a one per cent sales tax be adopted for a two year period. Ordinance No. 2008, patterned after the state sales tax law, was passed by the council in February, 1945, and became effective on April 1 of that year.

Administration of the municipal tax was relatively easy since merchants made use of their existing state tax accounting methods and made returns and payments to the city for the same periods as those to the state. The city tax collector was given responsibility of administration at an estimated increased annual cost of \$3,000 for a first year revenue of approximately \$320,000.

There were no additions to the list of cities until Los Angeles adopted a general sales tax in May, 1946 to be in effect until repealed. The rate was established at one-half of one per cent, thus enabling proponents to use the argument that the combined city-state rate of three per cent would be only a slight increase, since in small purchases the buyer was already paying a three per cent rate. With a city sales tax, the one-half of one per cent "breakage" would become municipal revenue rather than profit for merchants. Because this "breakage" was of considerable importance to the retailer with a very large volume of business, city officials felt that the chief opposition to the tax came from this source. However, many civic groups, including the chamber of commerce and taxpayers' associations, were opposed to the new levy.

Administration of the Los Angeles tax differed from the four earlier examples in that a sellers' annual permit was required and an audit program carried out. Prior to the passage of the ordinance by the council, the clerk and two assistants had visited San Bernardino, Colton, and Redlands, as well as the head office of the state board of equalization, in order to secure the benefits of their experience in administering such a tax. On the basis of this information, a sales tax division, utilizing a system of IBM punch cards, was established in the city clerk's office.

Adoption of the sales tax by the state's largest city brought the tax forcefully to the attention of other California municipalities. Only four cities in the state had adopted the tax prior to the action by Los Angeles; one year later 53 cities had enacted sales tax ordinances. As one writer said, "In the past year adoption of municipal sales and use taxes has been spreading like wildfire among California cities" (National Municipal Review, Vol. XXXVI, No. 5, May, 1945, p. 292). Rapid extension of its use has continued until by July 18, 1949, 132 cities were levying such a tax. The aggregate population of the taxing cities represents over 80 per cent of all people living within California cities and approximately 60 per cent of the total population of the state. In addition, large numbers of rural dwellers regularly contribute to city sales tax collections by making purchases within taxing jurisdictions.

In 69 cities in which the sales tax was collected during the entire fiscal year 1947-1948, revenue amounted to approximately \$20,000,000, accounting for slightly more than 10 per cent of the total locally-collected municipal revenue in those cities. Such a source of income will not be lightly cast aside by city governments, nor does there seem to be any inclination to do so on the part of citizen groups. Five cities (Berkeley, Huntington Park, Lynwood, Santa Barbara, and Tulare) have defeated proposals to repeal sales taxes through special elections. One city, Calipatria, repealed its tax in March, 1947, but readopted it in July of the following year.

LEGAL ASPECTS

State Law

Power to levy municipal sales taxes is granted general law cities under their authority "to license, for the purpose of revenue and regulation, all and every kind of business authorized by law and transacted and carried on in a city" (Article III, section 862.12, chap. vii, act 5233, Deering's, p. 1986). Chartered cities levy these taxes under similar provisions in their own charters. (For example, see section 12 of Sacramento City Charter: "To license for purposes of regulation and revenue all and every kind of business not prohibited by law to be transacted or carried on in the city.")

Although cities did not enter this field until after the state had lowered its rate from three per cent to two and one-half per cent, it was not for want of authority to do so, and the return of the state tax rate to three per cent in 1949 does not lessen the cities' power. There has been some consideration of raising municipal rates to one per cent to secure to the cities the one-half cent "breakage" now resulting from the return of the state rate to its previous level. City officials of Glendale, Pasadena, and South Pasadena held a special meeting in June, 1949 to discuss the suggestion. No favorable conclusions were reached, and little support of the idea has as yet been evidenced by local officials.

City Ordinances

Adoption of the municipal sales tax has been effected in most instances through enactment of an ordinance by the local legislative body. Such ordinances usually become effective not less than 30 days after the date of enactment, but if the council so desires, it may be classified as an emergency measure, effective immediately.

In only a few cases has the tax been submitted to a popular vote, either prior to its adoption or in an attempt at its repeal. Although opposition was expressed by merchant and consumer groups in a number of cities, successful operation of the tax removed any appreciable antagonism in most instances. At least 10 cities have put the issue to the direct action of their citizens. In the six cities whose voters expressed their opinions on the sales tax at the polls prior to adoption of the measure, results have been equally divided. Citizens of three of them (Concord, Lemoore, and Reedley) voted to adopt the tax, while those of the other half (Ventura, San Rafael, and Oceanside) decided against it. However, the council in each of these last mentioned municipalities has since enacted a sales tax ordinance.

Action by the Oceanside city council in adopting the sales tax to provide revenue for the municipal recreation department led to serious political repercussions. A merchant group opposed to the tax sought the recall of the entire council on grounds of violating the will of the people as expressed in the previous election on the sales tax question. At the recall election held early in 1949, four council members were retained in office, and one was recalled, indicating that the citizens had come to favor the sales levy once it had been operating for a few months.

Several other cities (Berkeley, Lynwood, Santa Barbara, Tulare and Huntington Park) have held elections on initiative measures seeking to repeal an existing sales tax ordinance. None of these was successful. In most instances, the repeal movement was led by a minority group of merchants who felt that the sales tax was injurious to their businesses. A somewhat dissimilar pattern prevailed in Lynwood where most of the impetus and financial support for the repeal attempt was furnished by an out-of-city newspaper publisher. This strong support for the repeal of the sales tax was reflected in the election results when repeal was defeated by a margin of only a few votes. Elections in Huntington Park, Santa Barbara, Berkeley and Tulare resulted in retention of the sales tax by overwhelming majorities. Despite the evident minority nature of repeal movements in the last mentioned cities, provisions of the Elections Code (sections 1700-1723) made it mandatory for the city council to place the initiative repeal ordinance before the voters.

A different situation existed in Riverside. Upon the adoption of a sales tax ordinance in that city in May, 1947, a citizen group filed a petition for a referendum election. The city attorney advised the council that the sales tax ordinance, in common with all measures designed to produce revenue to meet "usual current" expenses of government, was not subject to referendum under provisions of section 211 of

the city charter, and the petition was denied. The citizen group thereupon instituted proceedings in the state court of appeals, which upheld their position. The city then appealed to the California State Supreme Court which handed down a decision in agreement with the original opinion of the Riverside city attorney (Hunt vs. Riverside, 31 Cal 2nd 619). Similar action was begun by citizens in Corona, but was dropped when the court rendered its decision in the Riverside case.

A referendum movement in Palo Alto, however, was carried to a successful conclusion. Article VIII, section 3 of the city charter provides that

any ordinance or resolution, other than such as may be required to be passed at a particular time or for the purpose of complying with a charter or general law, and excepting such ordinances or resolutions as may be declared by the council to be necessary as emergency measures for the immediate preservation of the public peace, health, or safety

shall be subject to a referendum upon petition of the proper number of qualified persons. Shortly after the council adopted a sales tax ordinance, March 1, 1949, such a referendum petition was submitted to the council. At the subsequent election on May 10, 1949, the ordinance was repealed by popular vote. It is significant that in this single instance of a successful repeal attempt, the sales tax had not been in actual operation prior to the referendum.

A merchant in Pomona refused to file a tax return or to make payment, contending that the sales tax was in violation of provisions of the charter of the city of Pomona. He was arrested, tried on charges of violation of the ordinance, and found guilty. The city judge who presided over the case refused to rule on the legality of the ordinance, holding that it was not a matter within his jurisdiction. Thereupon, the merchant paid taxes and penalties and no further action ensued.

San Francisco's charter prohibits the levy of a business or occupational tax in excess of the cost of regulation and supervision of the business so taxed. Therefore, a sales tax for revenue purposes is not permissible and a "purchase" tax has been substituted. This is a tax on the consumer, collectible by the retailer at the time of the sale in an amount equal to one-half of one per cent of the purchase price. Its net effect in amount of revenue obtained by the city and effect on the purchaser is the same as that of a sales tax.

The revenue yield in many smaller cities, such as Manhattan Beach, would be increased through the operation of a use tax in connection with the general sales levy. This tax, designed to eliminate avoidance of sales tax and to protect local merchants, is an ad valorem, non-recurring tax levied upon the privilege of using, storing, or consuming in any way tangible personal property. The amount of the tax is determined by the value of the property used or stored, is levied only once upon the same property by the same taxing agency, and usually

does not apply to services. Authority to levy a use tax is not included in the grant of licensing power to sixth class cities, and they therefore cannot collect such a tax. (Table I indicates the 15 charter cities which have a use tax.)

Rates

Effective June 1, 1943, the state retail sales tax rate was reduced by legislative action from three to two and one-half per cent. This reduction was continued by succeeding legislatures in 1945 and again in 1947. Although the first four cities to adopt a sales tax (San Bernardino, Colton, Redlands, and Santa Barbara) imposed a one per cent rate, the general trend has been for cities to substitute their own one-half of one per cent rate for that removed by the state. As of July 18, 1949, the rate of tax in 109 cities was one-half of one per cent, while only 23 had rates of one per cent. Calexico had a one-half of one per cent rate from January 1, 1947 until July 1, 1947, when it was raised to one per cent. San Bernardino adopted a one per cent rate during 1945, but when the tax was re-passed for an indefinite period beginning August 1, 1946, the rate was set at one-half of one per cent. Manhattan Beach and Corona raised the levy from one-half to one per cent on January 1, 1949. (Corona's original sales tax ordinance, calling for a one per cent rate, had been amended to one-half of one per cent during 1948.)

It is difficult to assign a reason to this distinction in rates. Sometimes neighboring communities have adopted like rates, apparently to prevent diversion of trade to the community levying the lower tax. However, exceptions to this rule may be found. San Bernardino now has a one-half of one per cent rate while both Colton and Redlands have one per cent; Beaumont has a one per cent levy, and Banning has a one-half of one per cent tax. While distance from competing trade centers and the rates effective in such cities probably have an effect, the decisive factor fixing the rate, if one can be determined, seems to be the need for more revenue.

Exemptions

The most troublesome aspects of city sales tax administration are those arising in connection with exemptions, particularly as they relate to inter-city transactions, according to the League of California Cities. The three principal problems are the diversity of exemption provisions, which complicates the work of compliance; tax avoidance, which reduces yield; and duplicate taxation of a single sale, which engenders public hostility (State Board of Equalization, City Sales Taxes in California, p. 9).

In June of 1946, the League of California Cities sent to officials of all its member cities a suggested uniform sales tax ordinance. This ordinance was patterned after the state sales tax act and provided for only those exemptions which are in the state law, the League argument being that the interests of uniformity required that cities

should not grant additional exemptions. However, most cities have seen fit to allow a greater number of exemptions, usually as a result of local pressures.

At its 1947 conference, on the initiative of the finance officers' department, a committee was named to evaluate existing ordinances in order to determine the points of difference, the reasons for such differences, and the best method of reconciling these legal variations as well as the technical and professional job of examining report forms and other procedural and administrative practice.

Result of the sales tax committee's work was a revised uniform ordinance which contained the following important provisions, widely adopted by California cities.

- (1) Specific exemptions:
 - (a) sales to public agencies
 - (b) sales of property consumed in public construction
 - (c) sales made prior to the effective date of the ordinance
 - (d) sales of food sold on trains
- (2) No tax due where a tax already has been paid to another city
- (3) Provide for collection of sales tax from outside retailers by authorizing the tax collector to use a formula in computing amount of sales tax due.
- (4) Permit the waiver of or compromise of any penalties or interest due under the ordinance

On the other hand, ordinances in 33 of the smaller cities provide the same exemptions as those granted in the state act. As listed in sections 6353-6401 of the Revenue and Taxation Code, these state exemptions are on sales of the following goods:

1. Gas, electricity and water delivered to consumers through mains, lines or pipes.
2. Gold bullion, concentrates and precipitates.
3. Goods used for performance of public works contracts executed prior to July 31, 1933.
4. Vessels of more than 1,000 tons burden.
5. Motor vehicle fuel.
6. Livestock and poultry and feed for same.
7. Seeds, annual plants and fertilizer used in production of plants for human consumption.
8. Food products. This does not include spiritous, malt or vinous liquors, soft drinks, sodas or beverages or meals served on or off the premises of the retailer.
9. Regular publications and the tangible personal property which may be a component part thereof.
10. Meals served by public or private schools, school districts, student organizations and parent-teacher associations.
11. Containers, both returnable and non-returnable.
12. Sales to the United States or its agencies, and sales to the Red Cross.
13. Sales of silver bullion.
14. Materials purchased for use in performance of contracts with the United States.

15. Sales to common carriers shipped to a point out-of-state for use in conduct of the business as a common carrier.
16. Sale of ice used in transportation of food products.
17. Occasional sales of tangible personal property by individuals not regularly engaged in making sales.
18. Goods protected by constitutional or statutory prohibition.

State constitutional provisions prohibit application of municipal taxes to the sale of liquor. However, collection of a sales tax is frequently made on the non-alcoholic content of mixed drinks even though the problem of determining the taxable element of such sales often involves more administrative effort than is justified by the tax yield. A formula based on a per cent of the sales price, ranging from two per cent in Oakland to 10 per cent in Los Angeles and Eureka, is used to determine the amount of tax. San Francisco, which imposes a purchase tax rather than a sales tax, attempts to avoid this complication by taxing 100 per cent of bar sales. Constitutionality of the purchase tax ordinance was challenged by a retail liquor merchant. A general demurrer to his complaint was sustained by the superior court, whereupon the case was carried to the district court of appeals. In a decision of May 12, 1949 (90 ACA 770), the higher court reversed this judgment, ruling invalid those provisions of the purchase tax ordinance which imposed certain administrative requirements on liquor dealers as well as those which imposed a purchase tax. San Francisco appealed this decision and it was reversed by the state supreme court in November, 1949. The Los Angeles city attorney has since advised the city council that, in view of this ruling, a tax could be placed on the sale of alcoholic drinks, and such an ordinance is now under consideration by the council (Ainsworth vs. Bryant, California State Supreme Court decision, November 23, 1949. Not yet printed).

Additional exemptions granted by many cities are on sales made by or to the state of California, or any agency, department, political subdivision, district, or municipal corporation thereof; sales or purchases of property to be used in connection with public works belonging to the United States, the state of California, or any agency thereof; sales of property which is shipped to a point out of the city pursuant to the contract of sale; sales of food and drinks on common carriers operating into, through or out of the city from or to points outside the city; and sales or purchases of property which is shipped from outside the city to purchasers within the city and which property before being put to any use within the city, is transported to points without the city for principal use or other consumption outside the city. (See Appendix, page 39 for detailed information.)

Smaller numbers of cities grant exemptions on sales or purchases upon which a sales or use tax has been imposed by another California city; sales mailed by seller to persons in armed forces located outside the continental United States; sales of imports sold in the original package by the importer; sales to common carriers and waterborne vessels to be used or consumed in the operation of such carriers, principally outside the city; sales marked for export and shipped outside the city by the seller to an officer of the United States; sales of airplanes or parts to any agency of the United States and delivered outside the city, and sales to foreign purchasers for shipment abroad.

An interesting solution to the problem of duplicate taxation of the same transaction has been developed by five cities in the Pomona area. Pomona, Ontario, Upland, Claremont, and Chino have adopted identical resolutions governing transactions involving more than one of the cities. (See Appendix, page 39 for a copy of this resolution.) This resolution provides that all retail sales made from a place of business in one of these cities shall be presumed to be taxable only in the city where the place of business is located, though the merchant has a business license in another community and sale is made in the second city.

Original impetus for this cooperative arrangement came from businessmen who wished to eliminate making a number of sales tax returns caused by doing business in two or more of the cities. Some very minor opposition has been encountered from customers who objected to paying the tax in circumstances where they assumed no tax would apply.

Permits

Of the 132 cities levying a sales tax, 127 issue tax permits to retailers without which the retailer cannot legally operate his business. (Four cities, Needles, Redlands, Rialto, San Bernardino, do not use a permit system.) Forty-nine of these cities do not charge a fee for the original permit, while the remaining charge fees ranging from fifty cents in Banning, Beaumont, and Selma to \$2.00 in Beverly Hills and Redondo Beach, with the majority of cities having a \$1.00 fee. Lompoc does not make a charge for the permit, but requires a \$10 deposit, returnable after one year.

Payment of a permit fee by the retailer is, in effect, a charge for the privilege of acting as a collecting agent for the city. However, there has apparently been no merchant opposition, probably because it is generally understood that the charge is to cover the cost of issuing permits, and also because merchants are accustomed to paying fees for various permits.

All but six of the permit cities do make a charge for reissuing permits after change of address or after suspension or revocation of the seller's permit. There is even greater variation in the amount of the renewal fee than in that charged for the original permit. One city, Selma, charges only fifty cents while three (Banning, Beaumont, and Kingsburg) charge \$25. The majority of the cities, 77, charge \$1.00.

Permits may be suspended or revoked for violations of the sales tax ordinance, including delinquencies in making returns or payments, and making returns with intent to defraud. The general pattern is for this action to be taken by the city's legislative body. However, in the larger cities, the authority is usually given to the administering official. Thus, in Los Angeles the power is exercised by the city clerk, and in Berkeley, Oakland, and San Diego, by the city treasurer.

For willful violation of the ordinance, penalties of fine and imprisonment may be imposed. Because of the desire for good public relations and the general cooperation of sellers, this extreme action

has rarely been invoked. Thirty of the cities provide for financial penalties for businessmen whose payments are delinquent. These usually call for a 10 per cent penalty the first month of delinquency, and additional penalties at a lower rate for each succeeding month of non-payment.

Sales tax ordinances are often administered less rigidly than the wording would indicate. In most smaller cities, councilmen themselves are businessmen and have a sympathetic attitude toward their fellows. Extensions of time for payment are allowed in 38 of the ordinances, usually for a 30-day period. Even in cities without such written provisions, extensions are often granted. Attempts to collect from delinquent accounts are usually made on a personal basis, and court action is taken only as a last resort.

ADMINISTRATION

Organization and Procedure

Administration of the sales tax in most cities is a simple matter, and it has not been necessary to create new collection agencies. Work has been allocated to existing departments, often without the addition of personnel. In most instances the responsibility has been given to the city clerk's office, since this is the central agency of general government in most small cities. Often the clerk is ex-officio tax collector, or license collector. Only the largest cities have found it necessary to increase their staffs to any appreciable degree.

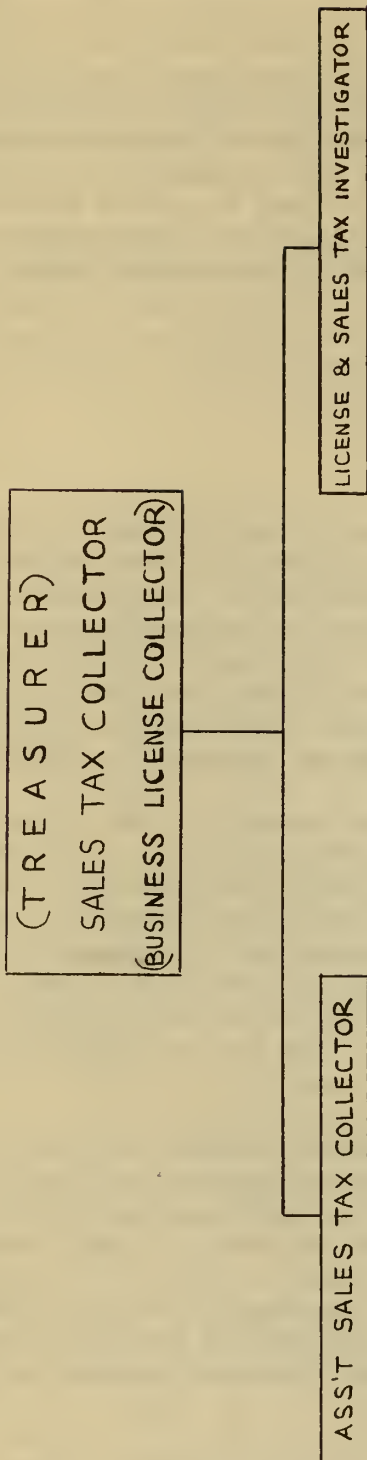
Some cities, having a full-time treasurer, tax collector, or license collector's office, have given the task to one of these agencies. Two cities, La Mesa and San Leandro, divide responsibility, with the clerk handling the issuance of permits while the treasurer administers the actual tax. San Bernardino, which does not use a permit system has a plan whereby the tax returns are filed with the city clerk, but the tax payments are made to the chief of police who is ex-officio license and tax collector. In one city, Upland, the tax is administered by the city manager.

In the typical small city a simple procedure is followed. Sales tax returns, monthly or quarterly, are mailed out in duplicate, generally using either window envelopes or addressograph plates. The retailer returns the original with check or cash. Receipts are not issued usually unless payment has been made in cash or the retailer requests a formal receipt. A record of payments is kept either on cards or in a ledger system, usually in connection with business license records. In any event, entries are normally made by hand and involve only a small amount of time.

Culver City offers an example of the procedure. The following steps are taken:

1. The sales tax return form is mailed, either monthly or quarterly, in a window envelope. The city has a total of slightly more than 500 accounts; approximately 190 are paid monthly.

ORGANIZATION OF SALES TAX COLLECTOR'S OFFICE CULVER CITY



2. As returns and payments come into the office, receipts are sent back to all retailers, regardless of whether payment is by check or in cash.
3. Payments are recorded on cards filed alphabetically. These cards hold entries for four years, including those for sales tax and business licenses. Spaces are provided to note amounts paid, date of payment, and remarks concerning any necessary special action taken by the city.
4. Delinquencies or irregularities may be quickly noted by means of colored tabs which are moved to the appropriate space when payment is received. Two warning notices are sent to delinquent retailers, usually with a two-week period intervening between the first and second notice.
5. If the retailer fails to respond to these notices, the business license inspector calls in person and attempts to settle the problem.
6. No auditing of retailers' returns has been done in the past, but a program of spot-checking certain accounts is now being considered by the city council.

Los Angeles offers an example of the complex organization required to administer the sales tax in a large city. Approximately sixty thousand accounts are handled, involving some half-million transactions yearly. Such a volume of business called for establishment of an expanded administrative organization well beyond the existing structure of the business license division of the city clerk's office. The existing functions of this division were combined with those arising from the administration of the sales tax to form a license and sales tax division, with a staff of about 170 as of June 30, 1949.

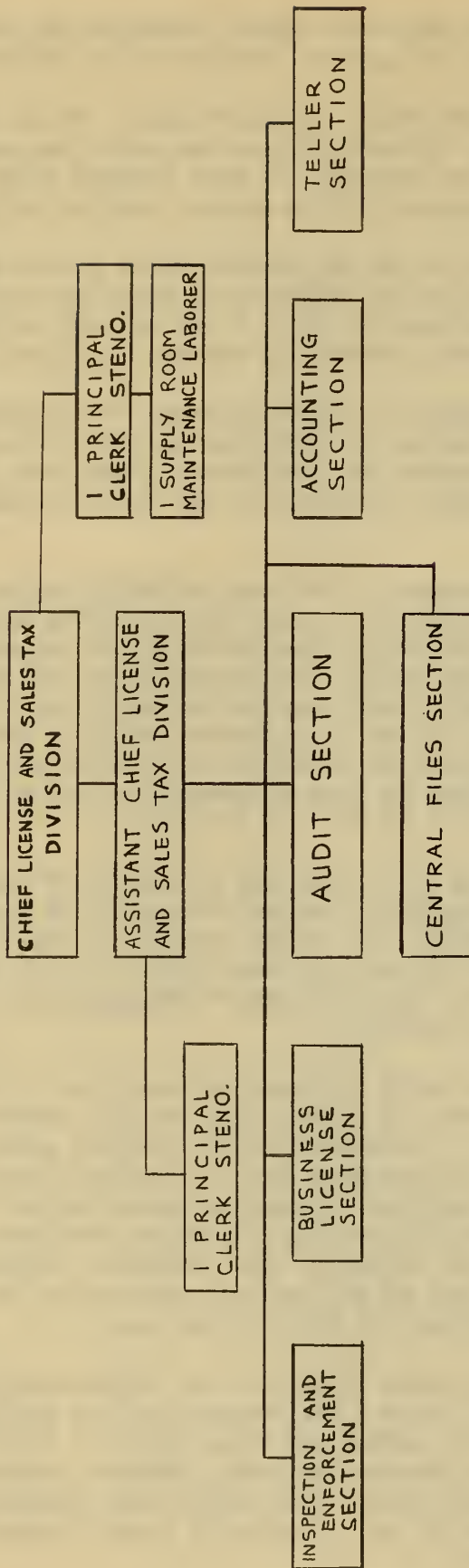
This new division, headed by a chief and an assistant chief, is made up of six sections: (1) inspection and enforcement, (2) business licenses, (3) audit, (4) accounting, (5) teller, and (6) central files. Each of these sections is again divided into two or more units, each dealing with a specific operation. (See Tables of Organization, Los Angeles City Clerk's Office, pp. 18-22.)

Cooperation of the state board of equalization made it possible for the city clerk to obtain access to state index records preparatory to setting up the city's system. Duplicates of the 150,000 cards representing the state's sales tax accounts for Los Angeles County were brought from Sacramento to Los Angeles. Thereupon approximately sixty thousand accounts with Los Angeles city addresses were hand sorted. A mailing list was established and copies of the ordinance, together with a notice of the responsibility of the seller, were mailed to all retailers five days before the effective date of the tax.

A master file of account cards is kept in an alpha-numeric system. From information in this file a tax return card in duplicate is prepared and then is mailed to the seller one week prior to the close of the tax period. The card has pre-printed name, address, permit number, tax period, and delinquent date. Tax returns and payments are made principally on either a monthly or a quarterly basis, depending on the size and type of the account.

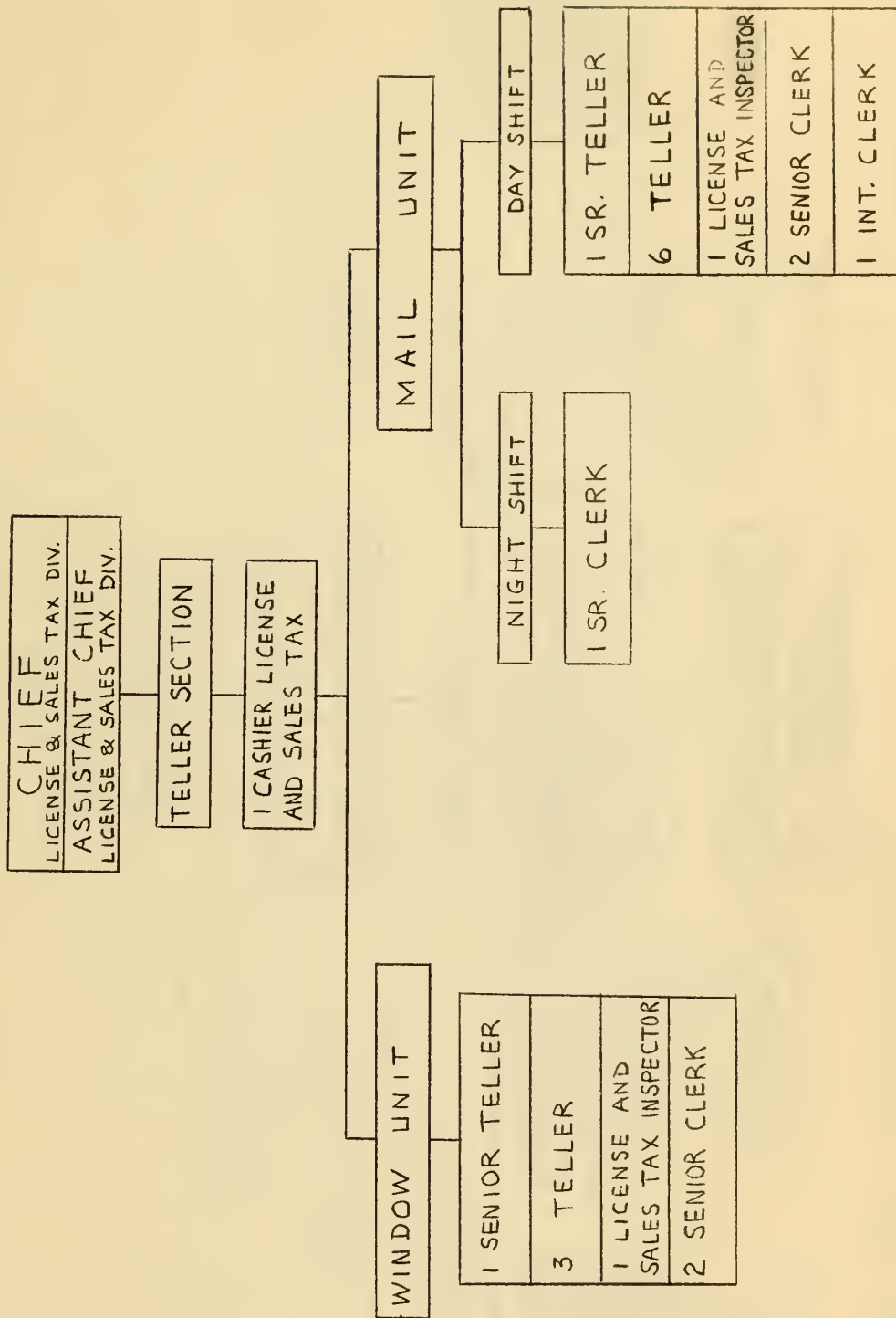
LICENSE AND SALES TAX DIVISION

LOS ANGELES CITY CLERK'S OFFICE



TELLER SECTION - LICENSE AND SALES TAX DIVISION

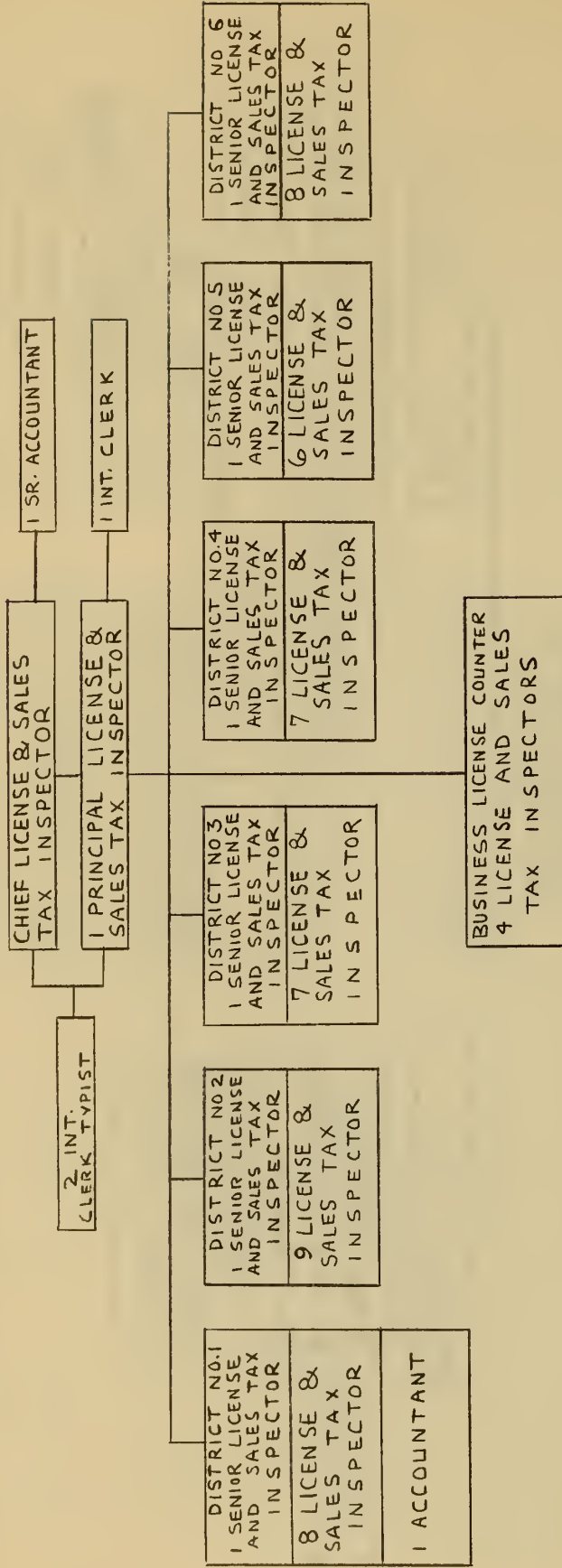
LOS ANGELES CITY CLERK'S OFFICE



INSPECTION & ENFORCEMENT SECTION

LICENSE & SALES TAX DIVISION

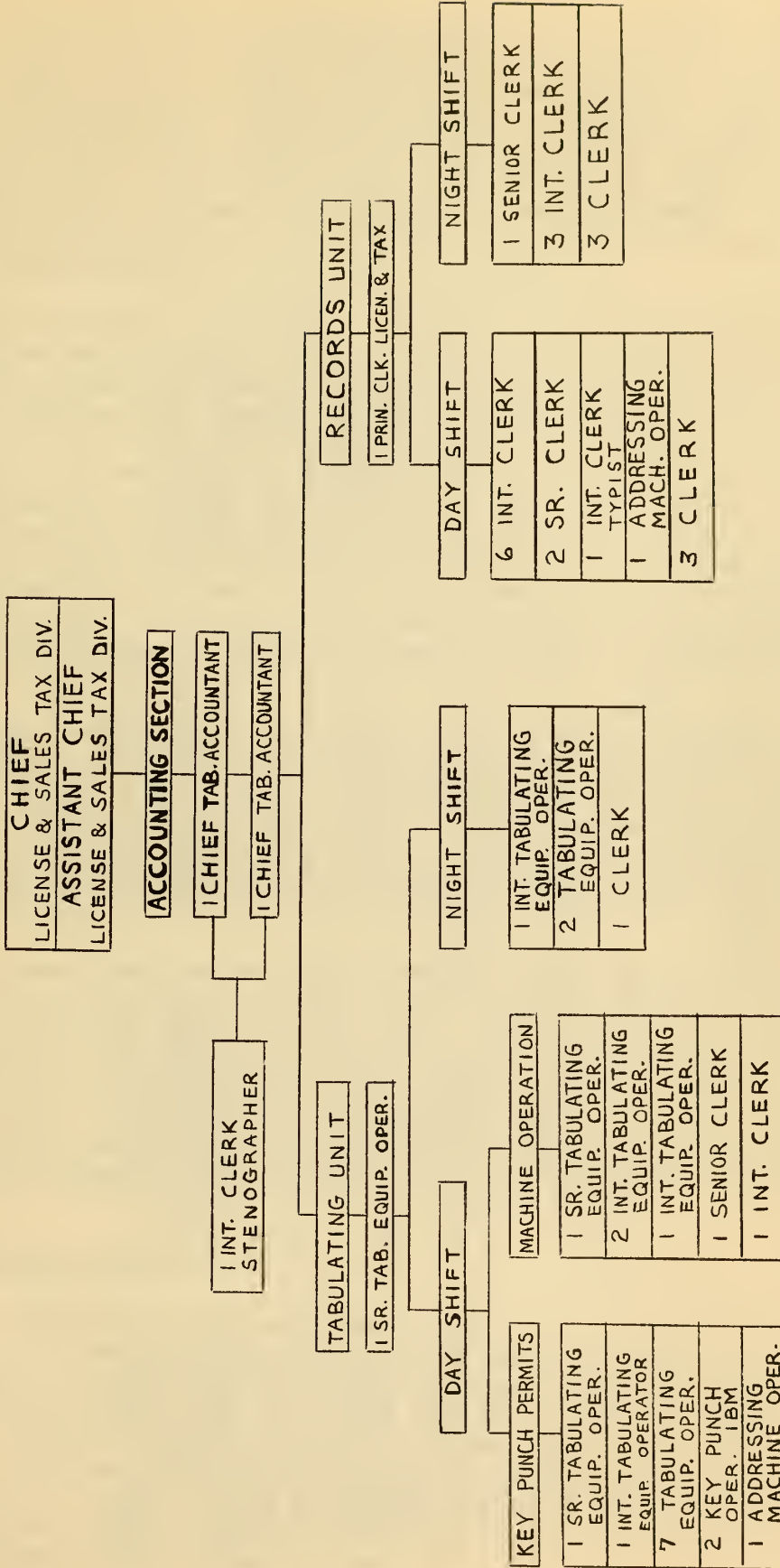
LOS ANGELES CITY CLERK'S OFFICE



ACCOUNTING SERVICE

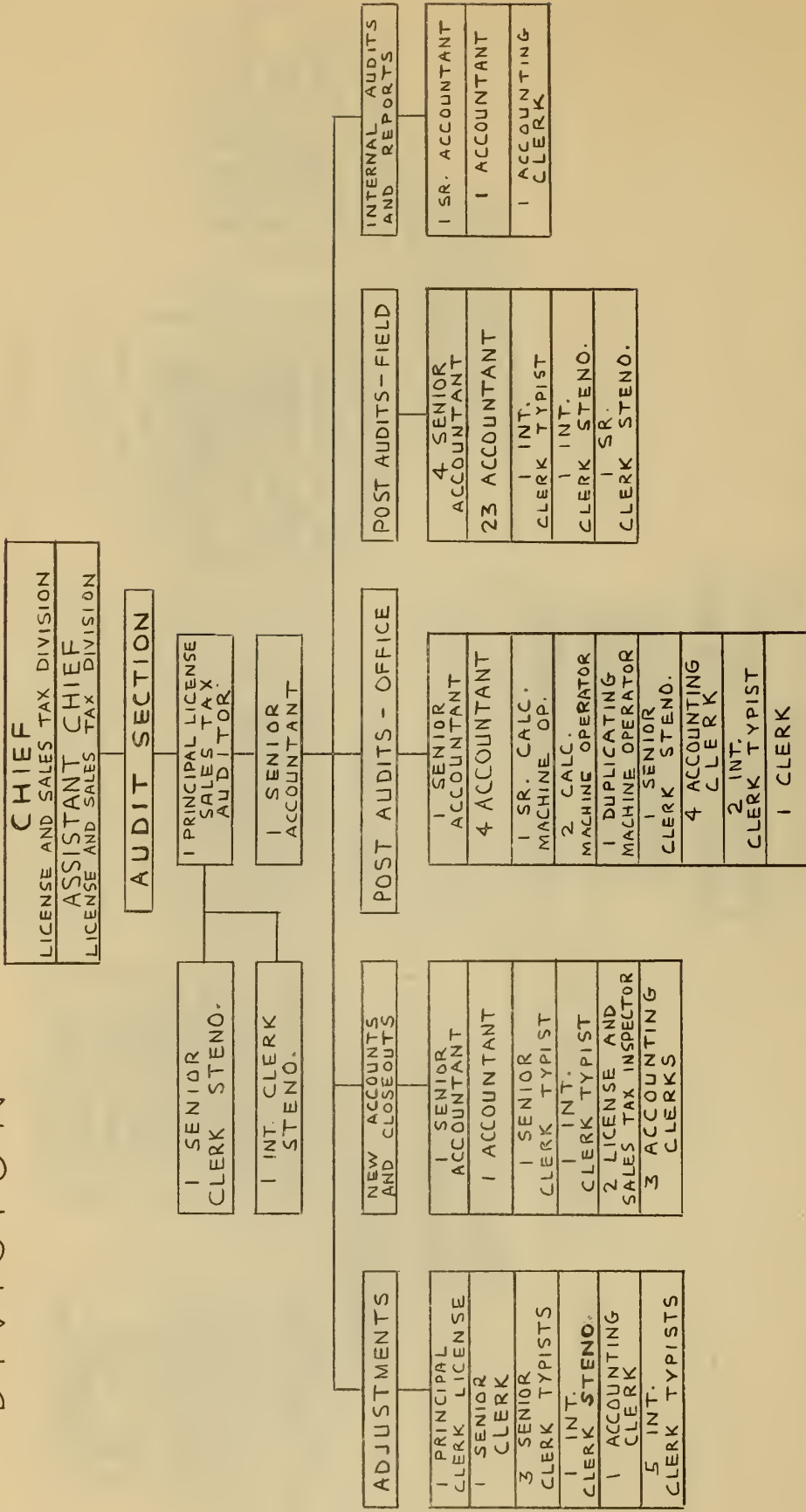
LICENSE AND SALES TAX DIVISION

LOS ANGELES CITY CLERK'S OFFICE



AUDIT SECTION LICENSE AND SALES TAX DIVISION

LOS ANGELES CITY CLERK'S OFFICE



As returns come in, they are opened by an electric opener in the teller unit and examined for completeness and conformance of the payment to the amount shown on return. After this verification, payments are recorded on punch cards. These paid cards are compared with the master file and second notices are mailed to all delinquent accounts. Copies are also given to the audit unit for distribution to field representatives who contact the retailer in an attempt to secure payment. The field auditor indicates results of his visit on the back of the account card, which is then returned to the tabulating unit.

Los Angeles, in contrast to smaller cities, has audited sales tax returns from the date of the first collections, and has a staff of about 25 accountants directly engaged in field auditing activities. Field inspections are limited to those accounts with a large volume of business, those which are delinquent in making returns or payments, and those having questionable exemptions. In the fiscal year 1948-1949, these inspections brought in \$650,000 of additional revenue, accounting for 4.25 per cent of total sales and use tax collections. Many smaller cities recognize the loss they incur by not auditing returns, and are considering the adoption of an auditing system on either a full- or part-time basis. A plan whereby several cities would share the services of an auditing firm is being developed by cities in San Bernardino and Riverside counties.

Tax return forms used by different cities vary greatly in complexity. A very brief return requiring only four entries by the merchant has been drawn up by the city clerk of Inglewood. Los Angeles, San Diego, Oakland and San Jose use cards pre-punched with permit number, and tax period covered by the return. Dinuba has an optional short form requiring only two entries: the amount of sales tax due the state, and the tax due the city, which amounts to one-sixth of the state tax.

Other forms are much more complex, requiring as many as 25 entries. Such returns generally call for detailed listing of exemptions granted by both the state and the particular city. Since little or no auditing is done by most cities, the requirement regarding city exemptions would seem to be included largely for its psychological effect. Most cities require three forms: an application for sales tax permit, a sales tax permit, and the sales tax return. Within the administering office itself, permanent records are maintained, both of addresses and of payments due and made.

Administrative Costs

Information supplied by municipal officials in response to the question of annual cost of administering the sales tax was so incomplete as to make it impossible to prepare an adequate summary. Of the 91 cities returning questionnaires, 65 either made no attempt to segregate sales tax costs from those of other duties of the clerk, treasurer, or tax and license collector, or failed to report any expenditures whatever. Moreover, many of those who did report administering costs did so on the basis of an estimate of the time devoted to the sales tax by persons who also performed other duties.

In its study, More City Sales Taxes, (March 1, 1949), the division of research and statistics of the California state board of equalization measured administrative expenses of municipal sales taxes on the basis of relation to revenue. A survey of 46 cities with sales tax experience during the entire fiscal year 1947-1948, revealed extremes in costs of forty-three cents and \$7.62 per \$100 of revenue. The arithmetic mean of expense ratios was \$2.39 per \$100, with expense ratios of one-half of the cities in excess of \$2.075 per \$100. This survey indicated that cities levying a one per cent tax are more liberal in their expenditures than those with a one-half of one per cent tax. Of the 11 cities with expense ratios of \$4.37 or more, eight had a sales tax rate of one per cent, while the median ratio for "one per cent" cities was \$4.89 as compared to a median of \$1.75 for the cities with a sales tax rate of one-half of one per cent.

Although these figures are of value in considering the cost of administering a municipal sales tax, their complete accuracy is questionable. As the author of the study points out, "the computed ratios were based upon the city officials' own estimates of their administrative costs." This involved an estimate of the time of personnel engaged also in other duties, and "it would be surprising, indeed, if a complete allocation had been made in many instances."

Amount of Revenue

Per capita revenue received from the sales tax by the 69 reporting cities ranged from sixty cents in Montebello to \$16.97 in Palm Springs. Among the 55 cities imposing a tax of one-half of one per cent, highest per capita return was \$15.14 in Walnut Creek, and lowest was that in Montebello, with the mean average being \$4.64. The 14 cities levying a one per cent tax have per capita yields ranging from \$3.23 in Colton to \$16.97 in Palm Springs, with a mean average yield of \$9.40.

TABLE A: PER CAPITA SALES TAX RECEIPTS			
<u>Cities with Rate of 1/2 of 1%</u>		<u>Cities with 1% Rate</u>	
<u>Amount</u>	<u>Number of Cities</u>	<u>Amount</u>	<u>Number of Cities</u>
Less than \$2.00	6	Less than \$3.00	0
\$2.00 to 2.99	16	\$3.00 to 3.99	2
3.00 to 3.99	3	4.00 to 4.99	2
4.00 to 4.99	13	5.00 to 5.99	2
5.00 to 5.99	7	6.00 to 6.99	0
6.00 to 6.99	2	7.00 to 7.99	1
7.00 to 7.99	2	8.00 to 8.99	1
8.00 to 8.99	2	9.00 to 9.99	0
9.00 to 9.99	1	10.00 to 10.99	1
10.00 to 10.99	0	11.00 to 11.99	1
11.00 to 11.99	1	12.00 to 12.99	1
12.00 to 12.99	1	13.00 to 13.99	1
More than 13.00	1	More than 14.00	2

Obvious reasons for such wide variations are the size of the trading area served by the individual cities and the rate of tax imposed. Cities which are shopping areas for large rural districts show high per capita returns, while those which are either in the orbit of a larger trading center or one of a group of cities have much smaller per capita revenue.

A more useful means of measuring tax returns is that of computing the approximate property tax rates per \$100 of assessed valuation necessary to raise the amount of revenue brought in by the sales levy. In the group of cities levying one-half of one per cent this figure varies from a low of four cents in Torrance to a high of \$1.20 in Selma. For those cities with a tax rate of one per cent, the range is from fifty-five cents in Corona to \$1.42 in Brawley.

TABLE B: PROPERTY TAX RATE EQUIVALENTS

<u>Cities with Rate of 1/2 of 1%</u>			<u>Cities with 1% Rate</u>		
<u>Amount</u>		<u>Number of Cities</u>	<u>Amount</u>		<u>Number of Cities</u>
Less than	\$.200	3	Less than	\$.700	1
\$.20 to	.299	10	\$.70 to	.799	1
.30 to	.399	11	.80 to	.899	4
.40 to	.499	8	.90 to	.999	3
.50 to	.599	5	1.00 to	1.099	1
.60 to	.699	9	1.10 to	1.199	0
.70 to	.799	4	1.20 to	1.299	1
.80 to	.899	3	1.30 to	1.399	1
More than	.900	2	More than	1.400	2

The importance of the revenue produced by the tax is indicated by the following table which shows the proportion of locally collected taxes brought in by the sales tax. The range in the 55 cities with a one-half of one per cent rate is from 1.9 per cent in Glendora to 28.3 per cent in El Cajon. The return in the 14 cities with a rate of one per cent varies from 6.8 per cent in Colton to 29.8 per cent in Petaluma. The mean average for the 69 cities reporting receipts for the fiscal year 1947-1948 is 12.3 per cent.

TABLE C:
PER CENT OF TOTAL LOCALLY COLLECTED TAXES PRODUCED BY SALES TAX

<u>Cities with Rate of 1/2 of 1%</u>		<u>Cities with 1% Rate</u>	
<u>Per Cent</u>	<u>Number of Cities</u>	<u>Per Cent</u>	<u>Number of Cities</u>
0.0 - 4.9	4	5.0 - 9.9	1
5.0 - 9.9	19	10.0 - 14.9	1
10.0 - 14.9	19	15.0 - 19.9	5
15.0 - 19.9	10	20.0 - 24.9	2
20.0 - 24.9	3	25.0 - 29.9	5
25.0 - 29.9			

Disposition of Revenue

Revenue from the municipal sales tax is, in most instances, paid into the city's general fund rather than earmarked for a specific purpose. However, 16 cities replying to questionnaires indicated that these revenues are devoted to a particular purpose. In seven cities, Calexico, Chico, Delano, Lynwood, Petaluma, San Rafael and Visalia, the entire amount collected is allocated to capital outlay, while in two more, Santa Paula and Santa Rosa, a definite portion of the sales tax revenue is reserved for this purpose.

Culver City, La Mesa and Oceanside use sales tax income for development of municipal recreational facilities. Other activities which are maintained through this tax are utility systems, a sewer plant and a war memorial. Oakland, the largest of the cities which do not use such revenue for support of general governmental activities, has earmarked such funds for traffic regulation and control.

SOME CONCLUSIONS

Municipal sales taxes in California are now collected from at least 75 per cent of the population, either as residents of cities having such a tax or as non-resident purchasers. Since its adoption by four municipalities in 1945, it has spread rapidly to cities in every geographic area and population group in the state until, as of July 18, 1949, 132 municipal sales tax ordinances were in effect in California. There remains little room for significant expansion in this field as only one major city has not enacted such a measure. This city, Long Beach, has considerable revenue from oil wells and the municipal gas works, and sales tax suggestions are vigorously opposed by dominant political groups.

Revenue from the sales tax varies widely in amount and relative importance in the tax programs of different cities. This diversity is due not only to a difference in the rate of the tax, but also to such factors as the social and economic composition of each city, the size and nature of the trading area which it serves and the nearness of competing trade centers. Thus, although each has a rate of one-half of one per cent during the fiscal year 1947-1948, Bakersfield received from the sales tax 22.3 per cent of its locally-collected revenues, while Glendora took in only 1.9 per cent from the same source. However, the tax is an important new revenue source, accounting for at least 10 per cent of locally collected revenues in more than 60 per cent of the municipalities reporting an entire year's experience.

Cost of administering the tax is low in most instances. Many of the smaller cities handle the task without additional personnel, and expense is limited to such items as printing and postage. Only a few cities have assumed the cost of an audit program since it does not seem probable that this would increase the local tax yield enough to make auditing profitable. There is, however, general recognition of the need for checking returns, and several middle sized cities have under-

taken an audit program, either with their own resources or in cooperation with neighboring municipalities.

Other problems which face sales tax administrators are those arising from inter-city sales, collections from businesses which are sold, closed out, or operated by itinerants, and the determination of the taxable element of alcoholic mixed drinks. Consolidated administration of state and local sales taxes has been proposed as at least a partial solution to these problems.

A bill empowering local governments to make agreements with the state board of equalization for the administration, collection and enforcement of local sales and use taxes was introduced into the 1949 session of the state legislature, but was not adopted. Advocates of this plan asserted that while a central administration of the tax by a state agency would be of help to both the local official and to the businessman with retail outlets in more than one city, it was still desirable that the level of government which spends money should be required to levy the tax. There are, however, several objections to this plan. Chief among them are differences in exemptions granted by local ordinances and by state law, the constitutional ban on collection of local taxes from the sale of liquors, and the state's pattern of keeping records by counties rather than by cities.

An alternative plan, supported by certain state and county officials, calls for distribution among local governments of revenues derived from an addition to the present state sales tax rate. This would avoid many of the administrative complications arising from state collection of locally imposed taxes, but it would also create its own problems. It would impose upon municipal governments the rather indefinite requirement of spending sales tax revenues for "state purposes," rather than for the support of general government. It would also raise the question of a formula for allocating revenue. Since such a tax would be collected in unincorporated areas as well as in cities, some scheme to distribute money to both cities and counties would have to be devised. Whether on the basis of population, actual place of collection or assessed valuation, administrative and policy difficulties would be encountered.

Because of the problems inherent in state administration of locally imposed sales tax ordinances, and in allocation of revenues from a state-imposed tax, and because of the opposition from local officials who feel that responsibility for enactment, control and administration of local revenue measures should remain at the local level, it is doubtful that much will be accomplished along this line in the near future. An approach of more immediate practical benefit to municipal sales tax administrators and to merchants may well be found in the type of cooperative agreement undertaken by cities in the Pomona-C Claremont area. (See Appendix, page 39.) This agreement, and the model ordinance suggestions of the League of California Cities, represent real efforts on the part of local authorities to solve tax administration problems on the local level.

TABLE I

SALES TAX ORDINANCES IN CALIFORNIA CITIES: EFFECTIVE DATE, TAX EXEMPTIONS AND RATES

City	Ordinance Number	Referendum	Effective Date	Expiration Date	Exemptions, Additions to State Act**	Rate of Tax	
						Sales	Use
Albany	556	-	1-1-47	*	-	1/2%	-
Alhambra	2241	-	7-1-48	*	1-4,6-8	1/2	1/2
Antioch	206-A	-	4-1-47	*	11	1/2	-
Avalon	274	-	1-1-47	*	-	1/2	-
Azusa	392	-	4-1-47	*	2	1/2	-
Bakersfield	716-NS	-	10-1-46	*	1-6,10	1/2	-
Banning	324	-	10-1-48	*	1-5,10,13,15-19	1/2	-
Beaumont	233	-	1-1-47	*	-	1	-
Bell	333	-	7-1-47	*	1,3,4,10	1/2	-
Berkeley	2789-NS	yes	10-1-46	*	1-10,12,13	1/2	1/2
Beverly Hills	728	-	11-1-48	*	Group A	1/2	-
Bishop	54-CB	-	1-1-48	*	1,3,4,10,11	1/2	-
Blythe	183	-	1-1-49	*	Group A	1/2	-
Brawley	344-5	-	1-1-47	*	11	1	-
Burbank	921	-	4-1-48	*	2,3,13	1/2	-
Calexico	371	-	1-1-47	*	11	1	-
Calipatria	111	-	7-1-48	*	11	1	-
Ceres	97	-	10-1-48	*	-	1/2	-
Chico	391	-	1-1-49	*	Group A	1/2	-
Chino	196	-	10-1-47	*	-	1/2	-
Chula Vista	371	-	4-1-47	*	1,11	1/2	-
Claremont	344	-	1-1-47	*	-	1/2	-
Clovis	180	-	1-1-49	*	11	1/2	-
Coalinga	276	-	7-1-48	*	Group A	1/2	-
Colton	672	-	4-1-45	*	Group B	1	-
Concord	150	-	1-1-48	*	-	1/2	-
Corcoran	108-NS	-	1-1-48	*	2	1/2	-
Corona	533	-	7-1-47	*	10	1	-
Coronado	736	-	7-1-47	*	10	1/2	-
Covina	267	-	4-1-47	*	2	1/2	-
Culver City	627	-	12-1-46	*	-	1/2	-
Delano	227	-	1-1-47	*	1-4,6,10	1/2	-
Dinuba	253	-	9-1-47	*	-	1/2	-
El Cajon	207	-	12-1-46	*	1-5,7,10,12	1/2	-
El Centro	497	-	1-1-47	12-31-49	-	1	-
El Cerrito	255	-	10-1-46	*	-	1/2	-
Elsinore	315	-	7-1-49	*	-	1/2	-
Escondido	403	-	8-1-48	*	Group A	1/2	-
Eureka	2431	-	7-1-48	*	Group A	1/2	-
Exeter	151	-	1-1-47	*	2	1/2	-
Fowler	386	-	10-1-48	*	11	1/2	-
Fresno	3373	-	4-1-48	*	2,4,6,10,13	1/2	-
Glendale	2107	-	10-1-46	*	Group A	1/2	-
Glendora	417	-	7-1-47	*	2,10	1/2	-
Greenfield	-	-	7-1-49	*	-	1/2	-
Hanford	398	-	12-1-46	*	1,2	1/2	-
Hawthorne	430	-	10-12-46	*	-	1/2	-
Hayward	393-NS	-	9-1-48	*	Group A	1/2	-
Hemet	268	-	1-1-49	*	1-4,10,11,13,15,20	1	-
Hermosa Beach	35-NS	-	10-1-46	*	-	1/2	-
Huntington Park	1099	yes	10-1-46	*	1,3,4,11	1/2	-
Inglewood	950	-	9-5-47	*	1,3,4,10	1/2	-
King City	217	-	10-1-48	*	Group A	1/2	-
Kingsburg	203	-	10-1-48	*	Group B	1/2	-
Laguna Beach	276	-	7-1-47	*	10,13	1/2	-
La Habra	106	-	10-1-46	*	-	1/2	-
La Mesa	298	yes	8-1-47	*	-	1/2	-
Lemoore	228	yes	1-2-48	*	10,11	1/2	-
Lindsay	237	-	11-1-47	*	-	1/2	-
Lodi	373	-	7-1-48	*	Group B	1/2	-
Lompoc	369	-	5-1-48	*	1,3,4,10,11	1	-
Los Angeles	90,360	-	5-11-46	*	1,6,10,13	1/2	1/2
Lynwood	484	yes	11-1-46	*	1-3,10,11,13,15,17,19	1/2	-
Manhattan Beach	577	-	1-1-48	*	1,3,4,10,11	1	-
Martinez	123-CS	-	10-1-46	*	-	1/2	-
Maywood	338	-	7-1-47	*	1,3,4,10,11	1/2	-
Merced	377	-	3-4-48	3-4-49	1-3,10,13	1/2	-
Mill Valley	337	-	4-1-47	*	10,11	1/2	-
Modesto	862-NS	-	10-1-48	*	1-4,7	1/2	-
Montebello	456	-	4-1-49	*	Group A	1/2	-
Napa	912	-	7-1-48	7-1-53	Group A	1	-
National City	726	-	1-1-47	*	1-4,12	1/2	-
Needles	210	-	7-1-46	*	1,3,12	1	-
Newport Beach	581	-	10-1-48	*	1-8,13,14	1	1

* Indicates enactment for indefinite period.

** See list of exemptions at end of table.

TABLE I
(Continued)

SALES TAX ORDINANCES IN CALIFORNIA CITIES: EFFECTIVE DATE, TAX EXEMPTIONS AND RATES

<u>City</u>	<u>Ordinance Number</u>	<u>Referendum</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Exemptions, Additions to State Act**</u>	<u>Rate of Tax</u>	
						<u>Sales</u>	<u>Use</u>
Oakland	2264	-	10-1-46	*	1-6,10	1/2%	1/2%
Oceanside	606	-	10-1-48	*	Group A	1/2	-
Ontario	763	-	9-1-46	*	-	1/2	-
Orange	457	-	10-1-46	*	Group A	1/2	-
Orange Cove	2	-	4-1-48	*	10	1/2	-
Oxnard	295	-	10-1-46	*	-	1	-
Palm Springs	173	-	4-1-47	*	-	1	-
Pasadena	4029	-	4-1-48	*	1-4,13,14	1/2	1/2
Paso Robles	122-NS	-	7-2-47	*	-	1/2	-
Petaluma	616-CS	-	1-1-47	*	10	1	1
Pittsburg	84-CS	-	10-1-46	*	-	1/2	-
Pleasanton	207	-	4-1-49	*	-	1/2	-
Pomona	1023	-	10-15-46	*	11	1/2	-
Porterville	470	-	10-1-48	*	2	1/2	-
Port Hueneme	8	-	7-1-48	*	Group A	1/2	-
Redlands	860	-	7-1-45	*	-	1	1
Redondo Beach	1090	-	9-1-46	*	-	1/2	1/2
Reddley	241	yes	12-17-47	*	2	1/2	-
Rialto	213	-	12-1-46	*	-	1/2	-
Richmond	1103	-	1-1-46	*	1,3,10	1/2	1/2
Riverside	1348	-	7-3-48	*	5,10,11	1/2	-
Sacramento	1446-47	-	7-13-49	*	Group B	1/2	1/2
San Bernardino	1727	-	1-1-45	*	1,3,10	1/2	-
San Diego	3201	-	7-1-46	*	1-4,12	1/2	1/2
San Fernando	437	-	10-1-46	*	Group B	1/2	-
San Francisco	4537	-	10-1-47	10-1-52	1,2,56,8,10	1/2	1/2
Sanger	284	-	12-1-47	*	-	1/2	-
San Jacinto	270	-	1-1-49	*	1-4,10,11,13 15-20	1	-
San Jose	3475	-	1-1-47	*	1-4,6	1/2	-
San Leandro	724-NS	-	1-1-47	*	1-10,13	1/2	1/2
San Luis Obispo	282-NS	yes	4-1-47	*	1-3,10	1/2	-
San Pablo	5-6	-	6-1-48	*	1-6,9,10	1/2	1/2
San Rafael	410	-	10-1-47	*	1-6	1/2	-
Santa Ana	1181	-	10-1-46	*	11	1/2	-
Santa Barbara	2112	yes	4-1-45	*	1,3,12	1	-
Santa Cruz	NS-17	-	1-1-49	*	Group B	1/2	-
Santa Maria	237	-	4-1-48	*	1-3,10,13,15-19	1/2	-
Santa Monica	1327	-	9-1-46	*	1,3,4,10	1/2	-
Santa Paula	209	-	1-1-47	*	10	1	-
Santa Rosa	627	-	10-1-46	*	10	1	1
Seima	378	-	4-1-47	*	-	1/2	-
Shafter	63	yes	7-1-47	*	-	1/2	-
Soledad	113	-	10-1-48	*	Group B	1/2	-
Sonora	214	-	9-7-48	*	Group B	1/2	-
Stockton	2040	-	4-1-48	*	1-7,13,15-19	1/2	-
Susanville	257	-	1-1-49	*	Group B	1/2	-
Torrance	379	-	12-1-46	*	1,3-6,10	1/2	1/2
Tulare	540	yes	2-5-47	*	2	1/2	-
Upland	359	-	9-1-46	*	-	1/2	-
Vacaville	331	-	5-1-49	*	Group B	1/2	-
Vallejo	47	-	9-2-48	*	Group B	1/2	***
Ventura	716	-	7-1-48	*	1-5,10,11,13, 15-19	1/2	-
Visalia	630	-	12-1-46	*	2	1/2	-
Walnut Creek	107	-	12-1-46	*	11	1/2	-
Wasco	34	-	10-1-47	*	1,10,11	1/2	-
Whittier	1003	-	7-1-49	*	Group A	1/2	-
Willits	2	-	5-1-49	*	-	1	-
Woodlake	61	-	7-1-47	*	2	1/2	-

* Indicates enactment for indefinite period.

** See list of exemptions at end of table. Group A includes 1-4,10,11,13,15-19; Group B includes 1-4, 11,15-19.

*** Vallejo city sales tax increased from 1/2 per cent to 1 per cent, effective November 1, 1949.

TABLE I
(Continued)

SALES TAX ORDINANCES IN CALIFORNIA CITIES:
EFFECTIVE DATE, TAX EXEMPTIONS AND RATES

Numbered Code of Exemptions

1. Sales made to or by the state of California or any agency, department, political subdivision, district, or municipal corporation thereof.
2. Sales of meals, food and drinks sold or served on common carriers operating into, through or out of this city from or to points outside of this city.
3. Sales or purchases of property to be used in connection with the erection, construction, repair or alteration of either public works or buildings belonging to or being constructed by or on behalf of or for the use of the United States government, state of California, or any agency, department, political subdivision, district or public or municipal corporation of the state.
4. Sales or purchases made pursuant to contracts actually executed in good faith prior to effective date of tax.
5. Sales or purchases of property which is shipped from outside the city to purchasers within the city and which property, before being put to use within the city, is transported to points without the city for principal use or other consumption outside the city.
6. Sales of property to common carriers and waterborne vessels to be used or consumed in the operation of such carriers, principally outside the city.
7. Sales by manufacturers, processors, jobbers, or wholesalers when such sales are made in wholesale quantities and at less than retail prices to purchasers for use or consumption in the conduct of their business outside of this city.
8. Use of property actually employed in the transportation or transmission of persons, property, gas, electricity, or communications in intrastate, interstate, or foreign commerce by public utilities regulated by the Railroad Commission of the state of California.
9. Sales or purchases of motor vehicle fuel, the distribution of which in the state of California is subject to the motor vehicle fuel tax imposed by Part 2 of Division 2 of the California Revenue and Taxation Code, except that users of motor vehicle fuel on which the motor vehicle fuel tax is refunded shall be liable for the use tax imposed by this Ordinance.

TABLE I
(Continued)

SALES TAX ORDINANCES IN CALIFORNIA CITIES:
EFFECTIVE DATE, TAX EXEMPTIONS AND RATES

Numbered Code of Exemptions

10. Sales of property which is shipped to a point out of the city pursuant to the contract of sale by delivery between retailer to such point by means of (a) facilities operated by the retailer; (b) delivery between retailer to a carrier for shipment to a consignee at such point; or (c) delivery by the retailer to a custom broker or forwarding agent for shipment outside of this city.
11. Sales of property shipped from a point outside the city to a purchaser inside the city or to the retailers' agent in the city, for delivery to the purchaser, if none of the elements of sale,* other than such delivery take place in the city.
12. Sales in wholesale quantities at less than retail prices to persons engaged in commercial, industrial, or agricultural business for use in any such business.
13. Sales or purchases of property upon which a sales or use tax has been imposed by another California city on the same transaction.
14. Purchases of property upon which a sales tax has been imposed under this ordinance on the same transaction.
15. Sales of imports sold in the original package by the importer.
16. Sales where mailed by the seller pursuant to the contract, to persons in the armed forces located outside the continental United States.
17. Sales marked for export and shipped outside the city by the seller to an officer of the United States pursuant to the contract.
18. Sales of airplanes or parts to an agency of the United States and delivered outside the city pursuant to the contract.
19. Sales to foreign purchasers for shipment abroad.
20. Sales of farm machinery for use outside the city, not motivated by human power and not requiring a motor vehicle license.

* Definition: Element of sale is defined to include solicitation of an order, the acceptance of an order, the giving of an order whether such order is given in person, by telephone, or by mail, the payment of the purchase price or the transfer of possession of the goods

TABLE II
ADMINISTRATION AND ENFORCEMENT OF MUNICIPAL SALES TAXES

City	Administering Official	Permit Fees		Retailers' Grace Period, Ordinance	Penalty ¹	Administrative Authority to Suspend or Revoke ²
		Original	Renewal			
Albany	Treasurer	\$1.00	\$1.00	30 days	3	-
Alhambra	Treasurer	none	5.00	none	2	-
Antioch	Tax Collector	1.00	1.00	none	2	-
Avalon	Clerk	none	1.00	none	2	-
Azusa	Clerk	1.00	1.00	none	3	-
Bakersfield	Treasurer	none	1.00	30 days	2	-
Banning	Clerk	.50	25.00	30 days	2	-
Beaumont	Clerk	.50	25.00	none	2	-
Bell	License Collector	1.00	1.00	none	2	-
Berkeley	Treasurer	none	1.00	30 days	3	-
Beverly Hills	Clerk	2.00	5.00	30 days	2	-
Bishop	Clerk	1.00	1.00	none	1	-
Blythe	Clerk	1.00	1.00	30 days	2	-
Brawley	Clerk	1.00	1.00	none	2	-
Burbank	Treasurer	1.00	1.00	none	3,7	-
Calxico	Clerk	1.00	1.00	none	2	-
Calipatria	Tax Collector	1.00	1.00	none	2	-
Ceres	Clerk	1.00	1.00	none	2	-
Chico	Tax Collector	1.00	1.00	30 days	2	-
Chino	Clerk	none	5.00	none	2	-
Chula Vista	Treasurer	1.00	1.00	none	2	-
Claremont	Clerk	1.00	1.00	none	2	-
Clovis	Clerk	none	1.00	30 days	4	-
Coalinga	Clerk	none	5.00	30 days	2	-
Colton	Clerk	.50		30 days	2	-
Concord	Tax Collector	1.00	5.00	none	2	-
Corcoran	Tax Collector	1.00	5.00	none	2	-
Corona	Chief of Police	none	1.00	none	2	-
Coronado	Clerk	none	none	none	2	-
Covina	Clerk	1.00	1.00	none	3	-
Culver City	Sales Tax Collector	1.00	1.00	none	2	-
Delano	Treasurer	1.00	1.00	none	2	-
Dinuba	Clerk	none	none	none	2	-
El Cajon	Clerk	none	1.00	30 days	2,3	-
El Centro	Tax Collector	1.00	1.00	none	2	-
El Cerrito	Treasurer	1.00	1.00	none	2	-
Elsinore	Treasurer	none	5.00	none	2	-
Escondido	Clerk	1.00	5.00	30 days	2	-
Eureka	Tax Collector	1.00	1.00	31 days	3	-
Exeter	Tax Collector	1.00	1.00	none	2	-
Fowler	Clerk	none	5.00	none	1	-
Fresno	Commissioner of Finance	none	1.00	30 days	4	-
Glendale	Clerk	1.00	1.00	none	2	-
Glendora	Clerk	1.00	1.00	none	1,3	-
Greenfield	Clerk	1.00	1.00	none		-
Hanford	Tax Collector	1.00	5.00	none	2	-
Hawthorne	Clerk	1.00	1.00	none	2	-
Hayward	Tax Collector	1.00	1.00	30 days	2	-
Hemet	License and Tax Collector	none	5.00	30 days	2	-
Hermosa Beach	Clerk	1.00	1.00	none	2	-
Huntington Park	License Collector	1.00	1.00	none	2	-
Inglewood	Clerk	none	1.00	30 days	1,3	-
King City	Tax Collector	1.00	1.00	30 days	2	-
Kingsburg	Clerk	none	25.00	30 days	2	-
Laguna Beach	Clerk	none	1.00	none	1	-
La Habra	Clerk	1.00	1.00	none	2	-
La Mesa	Treasurer ³	1.00	1.00	none	2	-
Lemoore	Tax Collector	none	5.00	none	2	-
Lindsay	Tax Collector	1.00	5.00	none	2	-
Lodi	Treasurer	1.00	1.00	30 days	2	-
Lompoc	Sales Tax Collector	none ⁴	1.00	30 days	2,3	-
Los Angeles	Clerk	1.00	1.00	30 days	2,3	-
Lynwood	Treasurer	none	1.00	30 days	2	-
Manhattan Beach	Sales Tax Collector	none	1.00	30 days	1,3	-
Martinez	License Collector	1.00	1.00	none	2	-
Maywood	License Collector	1.00	1.00	none	2	-
Merced	License and Tax Collector	none	1.00	none	2	-

1 See numbered list of penalties at end of table.

2 Dash (-) indicates action by municipal legislative body, rather than by administering official.

3 Permits issued by clerk.

4 \$10 deposit returnable after one year.

TABLE II
(Continued)

ADMINISTRATION AND ENFORCEMENT OF MUNICIPAL SALES TAXES

City	Administering Official	Permit Fees		Retailers' Grace Period, Ordinance	Penalty ¹	Administrative Authority to Suspend or Revoke ²
		Original	Renewal			
Mill Valley	Tax Collector	none	\$1.00	none	2	-
Modesto	Auditor	none	10.00	30 days	2	-
Montebello	Treasurer	1.00	5.00	none	2	-
Napa	Tax Collector	1.00	10.00	31 days	2	-
National City	Treasurer	none	1.00	120 days	2,5	-
Needles	Clerk	(No permits)		none	2	-
Newport Beach	Clerk	none	15.00	none	1	-
Oakland	Treasurer	none	1.00	30 days	2,3	-
Oceanside	Tax Collector	1.00	5.00	30 days	2	-
Ontario	License Collector	1.00	1.00	none	2	-
Orange	Clerk	none	10.00	30 days	2	-
Orange Cove	Clerk	none	5.00	none	1	-
Oxnard	Treasurer	1.00	1.00	30 days	2	-
Palm Springs	Treasurer	1.00	5.00	none	1	-
Pasadena	Tax Collector	none	5.00	none	2	-
Paso Robles	Tax Collector	1.00	5.00	none	2	-
Petaluma	Tax Collector	1.00	1.00	1 month	2	-
Pittsburg	Tax Collector	1.00	10.00	none	2	-
Pleasanton	Chief of Police	1.00	1.00	30 days	2	-
Pomona	Clerk	1.00	1.00	none	2	-
Porterville	Tax Collector	1.00	1.00	"reasonable"	2	-
Port Hueneme	Tax Collector	none	5.00	31 days	2	-
Redlands	Treasurer	(No permits)		none	1	-
Redondo Beach	Treasurer	2.00	2.00	none	1	-
Reedley	Clerk	none	5.00	none	2	-
Rialto	Chief of Police	(No permits)		none	2	-
Richmond	Tax Collector	none	1.00	30 days	2,3	-
Riverside	Treasurer	1.00	1.00	none	2	-
Sacramento	Assessor-Tax Collector	1.00	10.00	30 days	2,3	-
San Bernardino	Chief of Police, Clerk	(No permits)		none	2	-
San Diego	Treasurer	none		"reasonable"	2,3	-
San Fernando	Clerk	1.00	5.00	30 days	2	-
San Francisco	Tax Collector	none		1 month	2,5-7	-
Sanger	Clerk	none	1.00	none	2	-
San Jacinto	License and Tax Collector	none	5.00	30 days	2	-
San Jose	Treasurer	1.00	1.00	none	2,3	-
San Leandro	Tax Collector	none	1.00	none	2,6	-
San Luis Obispo	Tax Collector	none	none	none	1	-
San Pablo	Tax Collector	none	1.00	30 days	2,3	-
San Rafael	Tax Collector	none	1.00	none	2,3	-
Santa Ana	Clerk	none	none	none	2	-
Santa Barbara	Tax Collector	none		none	8	-
Santa Cruz	Treasurer	1.00	1.00	30 days	2	-
Santa Maria	Clerk	none	10.00	none	2	-
Santa Monica	Tax Collector	none	1.00 ³	30 days	2	-
Santa Paula	Tax Collector	1.00	1.00	none	2	-
Santa Rosa	Clerk	1.00	1.00	none	2	-
Selma	Clerk	.50	.50	none	2	-
Shafter	Clerk	1.00	1.00	none	2	-
Soledad	Clerk	1.00	1.00	30 days	2	-
Sonoma	Clerk	1.00	1.00	31 days	2,6	-
Stockton	Auditor	none	10.00	30 days	2	-
Susanville	Tax Collector	1.00	1.00	30 days	2	-
Torrance	Clerk	1.00	1.00	30 days	2,3	-
Tulare	License Collector	1.00	1.00	none	2	-
Upland	City Manager	1.00	1.00	none	1	-
Vacaville	Tax Collector	1.00	5.00	30 days	2	-
Vallejo	Treasurer	1.00	5.00	30 days	2	-
Ventura	Treasurer	1.00	1.00	31 days	2	-
Visalia	Tax Collector	1.00	1.00	none	2	-
Walnut Creek	Tax Collector	1.00	5.00	none	2	-
Wasco	Clerk	1.00	1.00	none	2	-
Whittier	Tax and License Collector	1.00	5.00	30 days	1	-
Willits	Clerk	1.00	1.00	none	2	-
Woodlake	Tax Collector	1.00	1.00	none	1	-

1 See numbered list of penalties at end of table.

2 Dash (-) indicates action by municipal legislative body, rather than by administering official.

3 Not collected.

TABLE II
(Continued)

ADMINISTRATION AND ENFORCEMENT OF MUNICIPAL SALES TAXES

List of Penalties

1. \$300 fine and 3 months' imprisonment.
2. \$500 fine and 6 months' imprisonment.
3. 10 per cent penalty the first month, 5 per cent additional each month thereafter, to a maximum of 50 per cent.
4. \$299 fine and 90 days' imprisonment, plus 10 per cent penalty for delinquencies.
5. 10 per cent penalty.
6. 10 per cent penalty, plus interest at the rate of 1/2 per cent.
7. 25 per cent penalty for failure to file or for filing with intent to defraud.
8. \$200 fine and 30 days' imprisonment.

TABLE III
MUNICIPAL SALES TAX REVENUE: AMOUNT AND DISPOSITION

City	Popula- tion	Date	Sales Tax Revenue (7/1/47- 6/30/48)*	Disposition	Total Revenue from Locally Collected Taxes 7/1/47-6/30/48**	% from Sales Tax	Per Capita Sales Tax Yield	Property Tax Rate Equivalent
Albany	19,000	1/2	36,948	General Fund	\$ 324,808	11.3	1.94	.284
Alhambra	50,671	1/2	142,714 ¹	General Fund	(1,588,515)			
Antioch	10,000	1/2	28,229	General Fund	337,517	9.4	2.82	.371
Avalon	2,400	1/2	18,773	General Fund	403,579	4.6	7.82	.540
Azusa	10,000	1/2	27,832	General Fund	627,246	4.4	2.78	.314
Bakersfield	32,703	1/2	44,793 ²	General Fund	1,859,065	22.3	12.65	.683
Banning	—	1/2	—	(No inform.)				
Beaumont	3,500	1	17,000	General Fund	86,829	19.6	4.85	.914
Bell	15,000	1/2	29,882	General Fund	296,926	10.0	1.99	.313
Berkeley	107,000	1/2	364,387	General Fund	3,890,633	9.4	3.40	.334
Beverly Hills	32,000	1/2	152,352 ³	General Fund	(2,208,038)			
Bishop	2,100	1/2	11,817 ⁴	General Fund	(75,491)			
Blythe	3,800	1/2	— ⁵	(No inform.)				
Brawley	13,000	1	109,665	General Fund	508,569	21.5	8.43	1.417
Burbank	75,000	1/2	21,461 ⁶	General Fund	(6,645,284)			
Calexico	6,500	1	65,916	Cap. Outlay	359,607	18.3	11.41	1.250
Calipatria	2,000	1	— ¹	(No inform.)				
Ceres	2,500	1/2	3,017 ²	General Fund	(50,701)			
Chico	11,432	1/2	12,633 ³	Cap. Outlay	(332,870)			
Chino	5,452	1/2	12,515 ⁷	General Fund	(132,755)			
Chula Vista	15,000	1/2	38,553	General Fund	303,612	12.6	2.57	.341
Claremont	3,986	1/2	12,610	General Fund	126,562	10.0	3.16	.252
Clovis	2,650	1/2	2,399 ⁵	General Fund	(63,618)			
Coalinga	6,600	1/2	18,646 ¹	General Fund	(288,631)			
Colton	15,000	1	48,445	General Fund	711,122	6.8	3.23	.856
Concord	6,650	1/2	10,248 ⁴	War Memorial	(78,856)			
Corcoran	3,400	1/2	10,970 ⁴	General Fund	(191,333)			
Corona	10,206	1	52,159	General Fund	275,038	18.9	5.11	.553
Coronado	17,000	1/2	32,561	General Fund	302,395	10.8	1.91	.182
Covina	3,600	1/2	27,123	General Fund	171,614	15.7	7.25	.769
Culver City	18,000	1/2	84,443	Park, play- ground and Recreation	1,124,283	7.5	4.69	.238
Delano	7,500	1/2	40,560	Cap. Outlay	240,449	16.8	5.48	.834
Dinuba	5,000	1/2	24,307 ⁷	Utility Systems	(163,147)			
El Cajon	5,500	1/2	31,384	General Fund	110,787	28.3	5.72	.875
El Centro	13,500	1	223,318	General Fund	883,350	25.2	16.54	1.173
El Cerrito	20,000	1/2	38,042 ⁸	General Fund	274,427	13.8	1.90	.259
Elsinore	—	1/2	—	General Fund				
Escondido	6,200	1/2	20,906 ⁹	General Fund	(213,400)			
Eureka	21,500	1/2	130,000 ¹	General Fund	(811,343)			
Exeter	4,500	1/2	20,522 ²	General Fund	139,402	14.7	4.56	.477
Fowler	2,200	1/2	—	(No inform.)				
Fresno	90,840	1/2	10,601 ⁶	(No inform.)	(3,720,009)			
Glendale	110,000	1/2	532,264	General Fund	6,435,980	8.2	4.83	.463
Glendora	4,300	1/2	2,585	General Fund	134,345	1.9	.60	.091
Hanford	10,000	1/2	95,960	General Fund	375,258	25.5	9.60	.610
Hawthorne	14,131	1/2	33,576	General Fund	475,557	7.1	2.37	.329
Hayward	11,000	1/2	48,000 ⁹	General Fund	(589,639)			
Hemet	3,800	1	7,000 ⁵	General Fund	(108,141)			
Hermosa Beach	11,500	1/2	36,097	General Fund	326,277	11.6	3.13	.444
Huntington Park	32,000	1/2	262,576	General Fund	1,246,222	21.1	8.20	.630
Inglewood	45,000	1/2	142,815 ⁷	General Fund	(1,825,882)			
King City	3,000	1/2	9,262 ²	General Fund	(115,643)			
Kingsburg	2,800	1/2	8,713 ²	General Fund	(165,304)			
Laguna Beach	8,500	1/2	35,482	General Fund	377,663	9.0	4.17	.240
La Habra	4,500	1/2	9,418	General Fund	116,249	8.1	2.09	.485
La Mesa	10,216	1/2	29,561 ⁷	Recreation	(293,052)			
Lemoore	2,500	1/2	3,458 ⁴	General Fund	(92,156)			
Lindsay	5,500	1/2	11,070 ¹⁰	General Fund	(235,608)			
Lodi	15,500	1/2	57,452 ¹	General Fund	(841,097)			
Lompoc	6,000	1	—	(No inform.)				
Los Angeles	2,008,500	1/2	9,821,448	General Fund	142,412,576	6.6	4.88	.426
Lynwood	26,500	1/2	58,648	Cap. Outlay	778,605	7.5	2.21	.340
Manhattan Beach	18,000	1	11,437 ⁴	General Fund	(471,123)			
Martinez	8,250	1/2	39,518	General Fund	597,661	6.6	4.66	.312
Maywood	14,000	1/2	29,510	General Fund	224,891	13.3	2.13	.360
Merced	13,700	1/2	31,874 ¹¹	General Fund	(411,800)			
Mill Valley	8,000	1/2	18,552	General Fund	160,210	11.8	2.36	.212
Modesto	19,000	1/2	120,000 ²	General Fund	(1,002,393)			

* Information regarding Sales Tax Revenue was obtained from State Controller, Annual Report of Financial Transactions of Municipalities and Counties of California for the year 1948, pp. 7-9. Information for individually footnoted items was obtained by questionnaire from the administering official of the city concerned.

** Information regarding Total Revenue from Locally Collected Taxes was obtained from op.cit., pp. 30-45. Figures in parentheses are not for the same calendar periods as figures of sales tax revenue.

TABLE III
(Continued)

City	Population	Rate	Sales Tax Revenue (7/1/47- 6/30/48)*	Disposition	Total Revenue from Locally Collected Taxes 7/1/47-6/30/48**	% from Sales Tax	Per Capita Sales Tax Yield \$	Property Tax Rate Equivalent
Montebello	—	1/2%	— ⁸	(No inform.)				
Hapa	13,750	1/2	— ¹	(No inform.)				
National City	21,000	1/2	58,214	General Fund	1,091,040	5.3	2.77	.620
Needles	6,500	1	24,174	General Fund	143,859	16.7	3.72	.971
Newport Beach	11,000	1	44,423 ²	General Fund	(1,071,423)			
Oakland	430,000	1/2	1,942,540	Traffic Regulation and Control	16,655,524	11.6	4.51	.543
Oceanside	13,000	1/2	24,500 ²	Recreation	(502,177)			
Ontario	23,000	1/2	96,484	General Fund	863,432	11.2	4.19	.603
Orange	10,000	1/2	26,377	General Fund	343,294	7.7	2.64	.219
Orange Cove	—	1/2	— ⁵	(No inform.)				
Oxnard	22,000	1	126,310	General Fund	682,257	18.5	5.74	1.009
Palm Springs	7,213	1	122,447	General Fund	459,550	26.6	16.97	.783
Pasadena	110,000	1/2	— ⁶	(No inform.)				
Paso Robles	6,500	1/2	30,743	General Fund	201,133	15.2	4.72	.470
Petaluma	11,000	1	114,433	Acquisitions and Improvements	386,392	29.8	10.44	.926
Pittsburg	14,500	1/2	59,098 ³	General Fund	850,410	7.0	4.07	.591
Pleasanton	—	1/2	— ³	(No inform.)				
Pomona	31,329	1/2	169,306	General Fund	1,332,714	12.7	5.40	.479
Porterville	6,825	1/2	40,232 ²	General Fund	(303,409)			
Port Hueneme	—	1/2	— ¹	(No inform.)				
Redlands	18,000	1	129,570	General Fund	873,197	14.9	7.19	.800
Redondo Beach	23,000	1/2	46,763	General Fund	492,324	9.5	2.03	.248
Reedley	4,000	1/2	17,048 ⁴	Sewer Plant	(146,337)			
Rialto	3,500	1/2	5,829	General Fund	102,872	5.6	1.66	.233
Richmond	100,000	1/2	282,159	General Fund	2,472,155	11.4	2.82	.390
Riverside	50,000	1/2	342,195 ¹	General Fund	(3,611,199)			
Sacramento	—	1/2	— ³	(No inform.)				
San Bernardino	63,000	1/2	357,263	General Fund	2,267,790	15.7	5.76	.710
San Diego	380,000	1/2	1,582,585	General Fund	15,408,596	10.2	4.16	.563
San Fernando	12,500	1/2	85,495	General Fund	520,754	16.4	6.84	.864
San Francisco	308,000	1/2	2,371,572 ⁷	General Fund	(97,143,395)			
Sanger	6,000	1/2	9,162 ⁴	General Fund	(162,903)			
San Jacinto	1,740	1	1,871 ⁵	General Fund	(49,485)			
San Jose	93,000	1/2	562,602	General Fund	3,207,070	17.5	6.05	.603
San Leandro	26,700	1/2	75,179	General Fund	637,441	11.8	2.81	.321
San Luis Obispo	16,000	1/2	79,836	General Fund	563,152	14.1	4.98	.644
San Pablo	16,041	1/2	12,354 ¹	General Fund				
San Rafael	15,000	1/2	49,461 ⁷	Permanent Improvements	(399,166)			
Santa Ana	46,000	1/2	260,539	General Fund	2,002,636	13.0	5.66	.511
Santa Barbara	38,338	1	515,601	General Fund	1,885,375	27.4	13.50	.899
Santa Cruz	—	1/2	— ⁵	(No inform.)				
Santa Maria	—	1/2	2,165 ⁶	(No inform.)	(368,458)			
Santa Monica	75,000	1/2	385,260	General Fund	4,511,197	8.5	5.13	.402
Santa Paula	14,000	1	66,050	50% Gen. Fund	261,943	25.2	4.71	.844
Santa Rosa	19,000	1	240,372	50% Capital Outlay	991,263	24.2	12.65	1.339
Selma	6,400	1/2	28,530	General Fund	144,998	19.6	4.45	1.202
Shafter	2,700	1/2	14,946	General Fund	90,757	16.4	5.53	.603
Sonora	—	1/2	— ¹²	(No inform.)				
Soledad	—	1/2	— ²	(No inform.)				
Stockton	—	1/2	— ⁶	(No inform.)				
Susanville	—	1/2	— ⁵	(No inform.)				
Torrance	17,450	1/2	40,838	General Fund	1,054,875	3.8	2.68	.043
Tulare	12,000	1/2	97,149	General Fund	584,539	16.6	8.09	.778
Upland	7,814	1/2	22,631	General Fund	345,639	6.5	2.89	.280
Vacaville	—	1/2	— ⁸	(No inform.)				
Vallejo	—	1/2	— ¹²	(No inform.)				
Ventura	—	1/2	— ¹	(No inform.)				
Visalia	10,360	1/2	116,851	Cap. Outlay	694,829	16.6	11.18	.715
Walnut Creek	2,235	1/2	33,745	General Fund	140,089	24.0	15.14	.744
Wasco	6,500	1/2	13,912 ⁷	General Fund	(90,743)			
Whittier	—	1/2	— ⁸	(No inform.)				
Willits	—	1	— ⁸	(No inform.)				
Woodlake	2,466	1/2	5,256	General Fund	64,420	8.2	2.13	.886

* Information regarding Sales Tax Revenue was obtained from State Controller, Annual Report of Financial Transactions of Municipalities and Counties of California for the year 1948, pp. 7-9. Information for individually footnoted items was obtained by questionnaire from the administering official of the city concerned.

** Information regarding Total Revenue from Locally Collected Taxes was obtained from op. cit., pp. 30-45. Figures in parentheses are not for the same calendar periods as figures of sales tax revenue.

TABLE III
(Continued)

MUNICIPAL SALES TAX REVENUE: AMOUNT AND DISPOSITION

Footnotes

1. For period 7/1/48 to 3/31/49.
2. For period 10/1/48 to 3/31/49.
3. For period 11/1/48 to 3/31/49.
4. In effect during two quarters of fiscal year, 1947-1948.
5. For period 1/1/49 to 3/31/49.
6. In effect during one quarter of fiscal year, 1947-1948.
7. In effect during three quarters of fiscal year, 1947-1948.
8. Tax effective after 3/31/49.
9. For period 8/1/48 to 3/31/49.
10. In effect during seven months of fiscal year, 1947-1948.
11. In effect during five months of fiscal year, 1947-1948.
12. For period 9/1/48 to 3/31/49.

APPENDIX I

RESOLUTION NO. 1648

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ADOPTING RULES PERTAINING TO THE COLLECTION OF CITY SALES TAX UNDER ORDINANCE NO. 1023, AND REPEALING RESOLUTION NO. 1527:

WHEREAS, Section 4 of Ordinance No. 1023 provides for the adoption of rules and regulations for the collection of the city Sales Tax imposed by said Ordinance,

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Pomona, in the County of Los Angeles, State of California, As follows:

Section 1. That Resolution No. 1527 is hereby repealed and superseded by this Resolution. That the following rules, and each of them, shall govern the collection of said City Sales Tax in said city:

(a) For the purpose of determining whether a sale is taxable as a retail sale (without regard to the city in which the tax is collectible) the following rule shall apply: If a sales tax is payable to the State of California on the particular sale, then a city sales tax shall be payable to the city as determined by the following rules.

(b) Where a retailer has a place of business in a city which has adopted a City Sales Tax Ordinance, then subject to the limitations hereinafter set forth, any retail sale which he makes from said place of business shall be presumed to be taxable only in the city where his place of business is located. If he has a place of business in two or more cities having retail sales tax ordinances, then for purposes of the city sales tax the sale shall be referred to the office where the books are kept on the particular sale in question. The above rule shall apply even though the merchant has a business in another community so long as he has no place of business in the other community. For illustration, if a business man has his place of business in the City of Claremont and makes a retail sale in the City of Pomona, the City of Pomona will not collect a retail sales tax, but such a tax will be collected by the City of Claremont.

The above rule shall be conclusive as regards deliveries from merchants with a fixed place of business in any city having a sales tax which grants like reciprocity to merchants of this city.

Where a merchant has no fixed place of business or in case his place of business is outside the city limits of any incorporated municipality having a sales tax, or his place of business is in a city which does not grant reciprocity to merchants of this city, then sales delivered to the purchasers in this city shall be deemed subject to a city sales tax, if any element of sale other than delivery occurs within the city limits of this city.

(c) This city will charge no sales tax on retail sales of alcoholic liquors. However, all dealers in alcoholic liquors are required to pay a retail sales tax on all non-alcoholic items sold by them in connection with the sale of alcoholic liquor.

(d) The City Clerk shall require a bond or security as provided in Ordinance No. 1023, before issuing any new Sales Tax Permits, and he shall require security or bond as provided for on any Sales Tax permit which is issued to any person who has been delinquent in his Sales Tax payment to the city of Pomona at any time, from which delinquency the Sales Tax Permit was cancelled. The bond or security shall consist of cash or negotiable securities approved by the City Clerk.

(e) Any and all rules of the State Board of Equalization pertaining to the interpretation, administration and enforcement of the Sales and Use Tax Laws which were adopted by reference by said Section 4 of Ordinance No. 1023 which are in conflict with any provisions of the foregoing rules are hereby expressly abandoned by the City of Pomona. Except as to rules expressly abandoned the adoption of these rules shall not be deemed to dispense with or in any way alter said rules and regulations of the State Board of Equalization as adopted by reference in said Resolution.

Section 2. The City Clerk shall certify to the passage of this Resolution, and thereupon and thereafter the same shall take effect and be in force.

Approved and passed this 23rd day of March, 1948.

James B. Pettit, Mayor of the City
of Pomona

APPENDIX II

APPLICATION FOR LICENSE AND SALES AND/OR USE TAX PERMIT			
CITY OF LOS ANGELES - OFFICE OF CITY CLERK - ROOM ONE - CITY HALL - MI 5211, STA. 365			
ACCOUNT NO		DATE RECORDED	RECEIPT NO
OFFICE USE ONLY		NAME OF OWNER(S) OR CORP	
BUS CODE		D B A	
PERIOD		BUSINESS ADDRESS	
FREQ		STREET AND NO.	
YEAR		CITY	
LICENSE FEE		ZONE	
\$		STATE	
LICENSEE NO		MAILING ADDRESS	
TYPE OF BUSINESS		DATE BUSINESS STARTED, PURCHASED, REORGANIZED OR LOCATION CHANGED	
FORMER OWNER(S) AND LOCATION		MONTH DAY YEAR	
SALES TAX		INDICATE IN PROPER BOX	
FREQ		NEW APPLICANT <input type="checkbox"/>	
PERMIT FEE		LOCATION CHANGE <input type="checkbox"/>	
\$		OWNERSHIP TRANSFER <input type="checkbox"/>	
PERMIT NO.		DUPLICATE <input type="checkbox"/>	
INDEX		SALES AND/OR USE TAX	
K P		NEW APPLICANT <input type="checkbox"/>	
RATED BY		LOCATION CHANGE <input type="checkbox"/>	
DATE		DO YOU OPERATE OTHER LOCATIONS SUBJECT TO CITY LICENSE AND SALES AND/OR USE TAX ?	
		YES <input type="checkbox"/> NO <input type="checkbox"/>	
SIGNATURE		TITLE	
		DATE	

Form 1.1-30M-12-48

APPENDIX III

SALES AND USE TAX RETURN			
TO THE			
CITY OF LOS ANGELES			
WALTER C. PETERSON, CITY CLERK			
ROOM ONE CITY HALL		MICHIGAN 5211 EXTENSION 2383	
FROM	TO	DELINQUENT	
MONTH DAY YEAR	MONTH DAY YEAR	MONTH DAY YEAR	
DOLLARS	CENTS		
1 \$		AMOUNT OF TAXABLE SALES REPORTED TO THE STATE OF CALIFORNIA FOR THE PERIOD SHOWN ABOVE	
2 \$		ADD: PURCHASE PRICE OF TANGIBLE PERSONAL PROPERTY PURCHASED FOR CONSUMPTION OR USE AND NOT INCLUDED IN ITEM 1 ABOVE	
3 \$		TOTAL: ITEM 1 PLUS ITEM 2	
4 \$		DEDUCT EXEMPTIONS ALLOWABLE BY CITY OF LOS ANGELES	
5 \$		AMOUNT ON WHICH SALES AND OR USE TAX APPLIES ITEM 3 LESS ITEM 4	
6 \$		AMOUNT OF TAX DUE AND PAYABLE TO THE CITY OF LOS ANGELES (ONE HALF OF ONE PERCENT OF ITEM 5 LESS OF 1%)	
7 \$		ADD: PENALTY (IF ANY)	
8 \$		TOTAL AMOUNT DUE AND PAYABLE TO THE CITY OF LOS ANGELES	
		<p>ATTENTION:</p> <p>THIS CARD IS TO BE MACHINE PROCESSED. TO SPEED RECORDING OF YOUR PAYMENT. PLEASE:</p> <p>DO NOT STAPLE, BEND, GLUE, FOLD, SPINDLE, PIN OR MUTILATE THIS CARD.</p> <p>I declare under penalty of making a false statement, that, to the best of my knowledge and belief, the statements made herein are correct and true</p> <p>SIGNED: _____</p> <p>LOS ANGELES CITY SALES AND USE TAX PERMIT NUMBER _____</p> <p>TITLE: _____</p>	
<p>NOTE: PUT YOUR LOS ANGELES CITY SALES AND USE TAX PERMIT NUMBER ON THE LOWER RIGHT HAND CORNER OF THE FACE OF CHECK OR MONEY ORDER. (OVER)</p>			

FORM 406

APPENDIX IV

ORIGINAL Return to Sales Tax Collector City Hall Inglewood, Calif. QUARTER ENDING	QUARTERLY SALES TAX RETURN TO THE CITY OF INGLEWOOD	TELEPHONES: LOCAL-ORCHARD 7-1131 L. A. - OREGON 8-1144
---	---	--

MONTH DAY YEAR

DUE AND PAYABLE IMMEDIATELY FOLLOWING DATE HEREON. PENALTY OF 10% ADDED IF NOT PAID WITHIN 30 DAYS, THEN 5% PER MONTH THEREAFTER.

1. Amount of Taxable Sales Reported to State of California	\$
2. Less: Exemptions Allowed by City of Inglewood* (See Over)	\$
3. Net Amount Taxable by City of Inglewood (Item 1 Less Item 2)	\$
4. Tax Due City of Inglewood. (One-half of one percent of Item 3) (½ of 1%)	\$

MAKE ALL CHECKS PAYABLE TO CITY OF INGLEWOOD

Signed: _____ Title _____
 If Other Than Proprietor

NOTE: PUT YOUR PERMIT NUMBER ON REVERSE SIDE OF CHECK OR MONEY ORDER.

I declare under penalty of making a false statement, that, to the best of my knowledge and belief, the statements made herein are correct and true.

APPENDIX V

DELINQUENT SALES AND USE TAX RETURN	TAXPAYER'S COPY	CITY OF LOS ANGELES
--	------------------------	----------------------------

LOS ANGELES CITY SALES AND USE TAX PERMIT NO.

FROM _____ TO _____
MO. DAY YR. MO. DAY YR.

WALTER C. PETERSON
 City Clerk Michigan 5211
 Room One Extension 2421
 City Hall

Dollars	Cents	
1. \$		AMOUNT OF TAXABLE SALES REPORTED TO STATE OF CALIFORNIA FOR THE PERIOD SHOWN ABOVE.
2. \$		ADD PURCHASE PRICE OF TANGIBLE PERSONAL PROPERTY PURCHASED FOR CONSUMPTION OR USE AND NOT INCLUDED IN ITEM 1 ABOVE.
3. \$		TOTAL: ITEM 1 PLUS ITEM 2.
4. \$		DEDUCT: EXEMPTIONS ALLOWABLE BY CITY OF LOS ANGELES.
5. \$		AMOUNT ON WHICH SALES AND/OR USE TAX APPLIES (ITEM 3 LESS ITEM 4).
6. \$		AMOUNT OF TAX DUE AND PAYABLE TO THE CITY OF LOS ANGELES (ONE-HALF OF ONE PERCENT) (ONE-HALF OF 1%).
7. \$		ADD PENALTY: SEE PENALTY NOTICE UNDER NOTE*
8. \$		TOTAL AMOUNT DUE AND PAYABLE TO THE CITY OF LOS ANGELES.

Keep This Copy for Your Records
Do NOT Return to the City Clerk

★ NOTE: This tax is now delinquent and a penalty of 10% applies.

An additional penalty of 5% of the original tax must be added if not paid on or before the close of business on the last day of this month, and 5% for each additional month delinquent.

★ SEE: Los Angeles Municipal Code—Section 21.199, Article 1, Chapter 2 (Sales Tax), and Article 1.5, Chapter 2 (Use Tax).

FORM 4060A

APPENDIX VI

CITY OF CULVER CITY

Original Copy

Please return with your Remittance

Make checks payable to--

BRUCE C. LATTA, Sales Tax Collector

City Hall, Culver City, California

SALES TAX RETURN

Reporting Period

if not full quarter

From _____ 19____, To _____ 19____

Telephone No. _____

CULVER CITY PERMIT No. _____

(COMPUTATION OF SALES TAX)	
1. TOTAL SALES—Months of.....19.....	
Deduct--Exempt Transactions	
2. Sales For Resale	
3. Sales of Food Products For Human Consumption	
4. Sales of Motor Vehicle Fuel Subject to Tax	
5. Sales of alcoholic beverages.	
6. Sales made to or by the State of California or any agency, department, political subdivision, district or municipal corporation thereof.	
7. Sales of property which is shipped to a point outside this city pursuant to the contract of sale by delivery by the retailer to such point of means of (A) facilities operated by the retailer; (B) delivery by the retailer to a carrier for shipment to a consignee at such point; or (C) delivery by the retailer to a custom's broker or forwarding agent for shipment outside this city.	
8. Sales to governmental units for public works such as Federal Government, State of California, County of Los Angeles or a municipality.	
8b. Others	
9. TOTAL EXEMPT TRANSACTIONS	
10. Amount on which Sales Tax Applies (Item 1 Less Item 9)	
11. Amount of Tax Due and Payable (1/2 of 1% Item 10)	
12. Interest(If Any) \$..... Penalty(If Any) \$..... TOTAL AMT.	
DUE AND PAYABLE	

I HEREBY CERTIFY, That I have examined this report and that the statements made and the figures shown herein and any accompanying schedules are to the best of my knowledge and belief a true and complete return made in good faith for the period stated pursuant to provisions of Ordinance 627 of the City of Culver City

(Signed).....
Title.....

Owner, Partner, Agent or Officer, if
Corporation, Trustee, Etc.

Due date on or before the last day of the month following each monthly or quarterly period.

Penalty of 10% Plus Interest at 1/2 of 1% Per Month, or Fraction Thereof, Must be Added Unless Payment is made on or Before Due Date.

APPENDIX VII

CITY OF CULVER CITY

OFFICE OF
SALES TAX COLLECTOR

Date _____
Permit No. _____

WARNING NOTICE

- ☐ No Application filed for City Sales Tax Permit.
- ☐ We have not received report for last quarter.
- ☐ If you did not have any sales of tangible property for last quarter, please report and sign statement.
- ☐ Please sign: Report Sheet - Check
- ☐ Include 10% penalty and 1/2 of 1% interest per month (delinquent).
- ☐ Close out statement has not been filed.
- ☐ Please keep Report Sheets on file so that auditor may check at any time.

Citation may be issued at any time for over-due accounts.

CITY OF CULVER CITY
SALES TAX COLLECTOR

APPENDIX VIII

City of Burbank
SALES TAX RETURN
PLEASE OBSERVE CAREFULLY

- a. Read instructions on back before filling out return.
- b. Do not send coin, currency or stamps; make check or money order payable to City Tax Collector.
- c. Be sure to sign this return.
- d. Send this copy to the City Tax Collector, Burbank, California and retain the copy for your files.
- e. Mail in time to avoid penalties.
- f. Be sure to keep full and complete records.

Paid By Check No.....On.....For \$
or Money Order name of bank or post office

COMPUTATION OF SALES TAX AND USE TAX FROM.....19....,to.....,19....
Have you Discontinued Business..... If "Yes" give date of closing.....

1. Total sales		\$
2. Add--Purchase price of tangible personal property purchased without sales or use tax and used for some purpose other than resale		
3. Total (Item 1 plus Item 2)		
<u>Deduct--Exempt Transactions</u>		
4. Sales for Resale		
5. Sales of food products for human consumption		
6. Sales to the United States Government		
7. Sales of motor vehicle fuel subject to tax under the Motor Vehicle Fuel License Tax Law		
8. Cash discounts allowed on taxable sales		
9. Credits for returned merchandise		
10. Sales in interstate or foreign commerce to out-of-state consumers		
11. Other exempt transactions:		
12. TOTAL EXEMPT TRANSACTIONS		
13. Amount on which sales or use tax applies (Item 3 less Item 12)		
14. Amount of tax paid to the State of California (See Reverse)		

BE SURE TO ANSWER THIS QUESTION

Has the state examined your Sales Tax returns in the last 3 months?.....

CERTIFICATE

I hereby certify that I have examined this report and that the statements made and the figures shown herein, including the reverse side hereof and any accompanying schedules, are, to the best of my knowledge and belief a true, complete and correct return, made in good faith for the period stated pursuant to the Sales Tax Ordinance.

BE SURE TO Signed.....

SIGN HERE Title.....

Penalty of 10% must be added unless payment is made on or before due date. Further penalties apply for each additional month of delinquency. Returns postmarked later than midnight of due date (regardless of when deposited in mail boxes) will be considered delinquent. Please mail in time to avoid penalties.

APPENDIX VIII
(Continued)

If all the sales reported to the State are taxable in Burbank show on Line 25, below, 1/6 of the amount appearing on Line 14 on the other side of this return.

COMPUTATION OF BURBANK CITY SALES TAX		
16. Amount subject to California State Tax (Item 13)		\$
BURBANK CITY EXEMPTIONS		
17. Amounts subject to State Use Tax (Item 2)	\$	
18. Sales outside Burbank		
19. Sales of alcoholic beverages		
20. Sales to exempt governmental bodies		
21. Sales for use on exempt public works, etc.		
22. Other exempt sales:		
23. Total exemptions (Total of Items 17 to 22 incl.)		
24. Net sales subject to Burbank Sales Tax		\$
25. Tax due (1/2% of Item 24)		\$
26. Penalty (if any) \$.....	TOTAL AMOUNT DUE—	\$

INSTRUCTIONS

The face of this return should be an exact copy of your California state return. It may be a carbon copy of the State return. If you have no use tax items and all of your sales are subject to the Burbank City Sales Tax, you need not fill in lines 16 to 24 above. Any items included in your State return which are exempt in Burbank, should be deducted above before computing the Burbank City Sales Tax.

17. Use Tax Items included in the amount shown on line 2 of the California return should be deducted on line 17 above.
18. Sales Outside Burbank — Sales of property delivered by the retailer to a point outside the City are exempt from the City Sales Tax. For more detailed information see Sales Tax Rule No. 1.
19. Sales of Alcoholic Beverages are exempt from City Sales Tax and in accordance with the provisions of Rule No. 4, sales of non-alcoholic contents of alcoholic drinks are taxable and may be reported on the basis of 10% of sales of such drinks.
20. Sales to Certain Governmental and Political Subdivisions are exempt from the City Sales Tax where reciprocal exemptions are granted to the City of Burbank. See Sales Tax Rule No. 5.
21. Sales for Use on Public Works, etc., are exempt from the City Sales Tax when reciprocal exemptions are granted to the city of Burbank. See Sales Tax Rule No. 5 for more complete details.

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